

**STRATEGIC LEADERSHIP PRACTICES AND FINANCIAL SUSTAINABILITY
OF SERVICE STATE CORPORATIONS IN KENYA**

BY

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MASTER OF BUSINESS ADMINISTRATION (CORPORATE MANAGEMENT)

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REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
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SEPTEMBER 2024

DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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I do hereby confirm that I have examined the master's research project of

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And have certified that all revisions that the research project panel and examiners recommended have been adequately addressed.

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ABSTRACT

In Kenya, like any other public institutions, service state corporations suffer from ineffective strategic leadership, poor internal communication, and lack of data-informed decision-making, leading to confusion, resource mismanagement, decreased morale, and diminished trust among employees and stakeholders. Service state corporations overlook strategic leadership practices creating an environment that constrains the potential of state corporations, highlighting an urgent need for transformative change in leadership approaches. The primary objective of this study was to examine the correlation between strategic leadership practices and the financial sustainability of service state corporations in Kenya. Specifically, the study aimed to explore how strategic articulation, strategic intelligence, strategic direction, and professionalism influence sustainability of service state corporations. This study was guided by contingency theory. The research utilized a cross-sectional descriptive research design. Target population was 1396 respondents from 55 service state corporations. Fisher formula was adopted to select a sample size of 384 respondents. Primary data was collected using a questionnaire. Quantitative data was coded into SPSS and analyzed using descriptive analysis and inferential analysis. Data was presented using frequency tables and figures. Ethical considerations were upheld during data collection. The study established that there was a positive and significant relationship between strategic articulation, strategic intelligence, strategic direction, professionalism and financial sustainability of service state corporations. The study recommended that organizations should cultivate an environment that emphasizes strategic articulation, ensuring that every member of the corporation understands the organization's mission and vision. Moreover, fostering a culture of strategic intelligence is paramount; leaders should encourage data-driven decision-making and facilitate ongoing analyses of market trends and emerging challenges. By providing continual professional development opportunities, organizations can cultivate professionalism among employees, enhancing their capacity to meet strategic goals. Finally, strategic direction must be clearly communicated and adjusted as necessary to respond to evolving circumstances.

Key words: *Strategic Articulation, Strategic Intelligence, Strategic Direction, Professionalism, Strategic Leadership Practices and Financial Sustainability.*

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ACRONYMS AND ABBREVIATIONS

AFC	Agricultural Finance Corporation
ANOVA	Analysis of Variance
GRI	Global Reporting Initiative
KMC	Kenya Meat Commission
NGOs	Non-Government Organizations
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Science
TBL	Triple Bottom Line
UK	United Kingdom

DEFINITION OF TERMS

Corporate Sustainability	Corporate sustainability refers to the adoption of a business strategy aimed at generating long-term value for stakeholders (Epstein, 2022)
Professionalism	Is the conduct, behavior, and attitude expected from individuals in a particular profession or workplace setting (Zakari, Poku & Owusu-Ansah, 2021).
Strategic alignment	Is a process that focuses on aligning an organization's structure and resource utilization with its overall strategy (Agatha, 2021)
Strategic articulation	It is capacity to articulate all facets of the business strategy in a manner that is exceptionally clear, captivating, and fosters synchronized action is of utmost importance (Heizer, 2021)
Strategic direction:	Involves the development and execution of strategies necessary for an organization to advance toward its envisioned future and achieve its objectives (Reed, 2020).
Strategic intelligence	It is a conceptual system of leadership qualities that encompasses a set of attributes that are crucial to effective leadership (Ekai, 2023).
Strategic Leadership	The concept of leadership encompasses the crucial skill of effectively conveying the vision of a state corporation and guiding its employees toward the realization of this vision, while also ensuring its long-term viability (Kahiga, 2022)
Strategic Leadership Practices	This involves carefully examining various factors, evaluating potential strategies, and taking appropriate actions to enhance their position in the industry (Ireland, 2020).
Strategic Transparency	refers to the act of openly exchanging and disseminating information (Gakii, 2020)

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic leadership practices are vital for the success and sustainability of any organization (Strand, 2021). These practices help organizations to navigate through challenges, capitalize on opportunities, and adapt to changing market conditions. In the service industry, strategic leadership drives innovation, continuous improvement, and operational efficiency. Service firms can benefit significantly from adopting strategic leadership practices (Nwachukwu & Vu, 2020). These practices align organizational goals with organization operations, enhance service delivery, and improve overall performance and accountability. Embracing strategic leadership helps state corporations in gaining competitive edge, build stakeholder trust, and foster sustainable growth. The complexity of the business environment, the need for resilience and agility, and the demand for transparency and accountability in public service delivery underscore the importance of strategic leadership for state corporations in Kenya (Orito, 2021). By implementing strategic leadership practices, these organizations can tackle challenges, transform operations, and achieve long-term success and sustainability.

Globally, organizations are considering strategic leadership practices to be key aspects of financial sustainability. In the United States, leaders who focus on financial sustainability prioritize long-term financial health over short-term gains, ensuring that their organizations remain viable and competitive in the long run (Suriyankietkaew & Avery, 2020). For example, companies like Apple and Microsoft have implemented strategic leadership practices that emphasize financial prudence, innovation, and market

expansion, leading to sustained profitability and growth. By adopting such practices, organizations can navigate economic uncertainties, optimize resource allocation, and maintain a strong financial position, ultimately contributing to their long-term success (Suriyankietkaew & Avery, 2020).

In South Africa, strategic leadership practices are vital for promoting financial sustainability within organizations. Leaders who adopt a proactive approach to financial management are better equipped to steer their organizations through volatile economic conditions. A study by Mkhwanazi and Msimango (2022) highlights that effective strategic leadership enhances financial resilience by enabling companies to anticipate market demands and optimize resource allocation. Moreover, the integration of strategic leadership practices in decision-making processes has been shown to significantly improve financial performance, allowing organizations to streamline operations and reduce costs (Nkosi & Smit, 2023). Consequently, strategic leadership is essential for ensuring long-term financial stability in South African companies.

In Tanzania, strategic leadership practices significantly influence the financial sustainability of organizations. Leaders who embrace adaptive strategies are better positioned to manage financial risks and capitalize on emerging market opportunities. A recent study by Shayo and Mhando (2023) emphasizes that strategic foresight enables Tanzanian firms to navigate economic uncertainties effectively, thereby enhancing their financial stability. Furthermore, strategic leadership practices have been found to streamline operations and improve decision-making processes in organizations, leading to better financial outcomes (Mbilinyi & Msuya, 2022). As such, strategic leadership is pivotal for fostering enduring financial health in Tanzanian organizations.

In Kenya, like in any other country, strategic leadership practices play a crucial role in enhancing financial sustainability within organizations. Effective leaders in Kenya prioritize long-term financial planning and risk management, ensuring that organizations can adapt to market fluctuations and economic uncertainties (Mbaruku & Kimolo, 2023). By fostering a culture of innovation, these leaders encourage the development of new revenue streams and cost-effective operations. For instance, research indicates that strategic foresight and agility are instrumental in navigating financial challenges (Ogot & Karanja, 2021). Furthermore, the emphasis on data-driven decision-making has been shown to significantly improve financial outcomes in Kenyan enterprises (Muturi & Gichuki, 2023). Thus, strategic leadership is essential for ensuring the financial viability of organizations in the increasingly competitive global landscape.

Mareiyo and Kwasira (2022) emphasized the importance of strategic leadership practices in ensuring transparency, effective resource management, equitable resource allocation, and accurate financial records to promote organizational sustainability. Furthermore, Bore (2022) contended that organizations that adhere to strategic leadership practices develop a clear vision that outlines the organization's purpose and maintains competitiveness in the market. This highlights the significance of strategic leadership practices on organizational sustainability. The current study aims to examine the correlation between strategic leadership practices and the sustainability of service state corporations. The current study focuses on service firms, sustainability in this context was measured by assessing the effectiveness of service delivery, employee satisfaction, financial stability, organization systems, and adaptability. The research aims to offer valuable insights to practitioners, policymakers, management professionals, and scholars

regarding the significance of effective leadership practices in ensuring organizational sustainability. The study seeks to enrich the body of knowledge in corporate management by conducting an empirical review and synthesizing existing theories, thereby expanding the literature on strategic leadership practices and firm sustainability.

1.1.1 Strategic Leadership Practices

Alayoubi, et. al., (2020) defined strategic leadership practices as the ability of top management to set a clear direction for the organization, align resources towards achieving strategic goals, and effectively communicate the vision to all stakeholders. According to Alkheyi, et. (2020), strategic leadership practices encompass the process of fostering a culture of innovation, collaboration, and continuous improvement within the organization. These practices are instrumental in providing guidance and direction to the organization, enabling it to achieve its goals and objectives. Strategic leadership plays a vital role in establishing a clear vision, making informed decisions, and effectively managing resources to ensure the firm's sustainability in a competitive market (Asif & Basit, 2021). Through adopting strategic leadership practices, service state corporation aim to enhance their operational efficiency, optimize resource allocation, and adapt to the dynamic business environment. This approach enables them to effectively respond to challenges, capitalize on opportunities, and ultimately drive sustainable growth and success.

Strategic leadership practices play a crucial role in shaping the long-term success and growth of organizations, particularly in the service sector (Abdullah & Hendi, 2024). To be effectively adopted by an organization, strategic leadership practices must possess certain characteristics that distinguish them from other leadership approaches. These

characteristics include a clear vision, effective communication, the ability to adapt to changing environments, and a focus on fostering innovation and collaboration (Ochuba, et. al., 2024). Key indicators of strategic leadership practice include the ability to align organizational goals with strategic objectives, the development of a strong organizational culture, and the implementation of effective performance measurement systems (Okwiri & Muathe, 2024). Strategic leadership practices aim to enhance organizational performance, foster employee engagement, and drive innovation and growth. Additionally, organizations can benefit from strategic leadership practices in various ways, such as improved decision-making processes, increased employee satisfaction and retention, enhanced customer loyalty, and a competitive advantage in the market (Kunalan, et. al., 2022).

Globally, strategic leadership is seen as a crucial component in achieving sustainability and enhancing the quality of services. For instance, in Sweden, strategic leadership provide service firms with clear direction and focus, drive their performance improvements, and enhancing stakeholder relationships. Strategic leadership also helps organizations align their sustainability goals with overall strategic objectives, leading to long-term success and competitive advantage (Strand, 2021). In their study conducted in Palestine, Alayoubi, et. al., (2020) emphasize the importance of leaders thinking strategically, driving change, and fostering collaboration to create a prosperous future for the organization. The study underscores the significance of strategic direction, investing in strategic capabilities, developing human capital, enhancing organizational culture, emphasizing ethical practices, professionalism and implementing balanced organizational oversight in improving service quality. In Australia, service industry experiences

significant improvements through the implementation of strategic leadership practices (Sancino & Hudson, 2020). Through adopting strategic leadership practices, service industries enhance various aspects such as customer satisfaction, employee engagement, and overall business performance.

In Africa, Nwachukwu and Vu (2020) emphasize the significance of strategic leaders in helping firms effectively navigate a volatile business environment and optimize resources to ensure sustainability. Additionally, strategic leadership strengthens a firm's capability to identify and respond to significant changes in the external environment by appropriately allocating resources. In Ghana, Abonyi and Sofo (2021) argued that enhancement of sustainability in service firms in Ghana can be achieved through the implementation of strategic leadership practices. By adopting strategic leadership practices, service firms can effectively align their organizational goals with the changing market dynamics and environmental factors.

Regionally, the adoption of strategic leadership practices has been proven to result in a beneficial effect on service provision in state corporations in Uganda (Nanyonga, et. al., 2020). Through strategically aligning organizational goals with the overall mission and vision, leaders are able to effectively guide their teams towards achieving desired outcomes. Through effective communication, delegation of tasks, and fostering a culture of accountability, strategic leaders can create a work environment that is conducive to delivering high-quality services to the public. In Tanzania, Mgaiwa (2021) discusses how strategic leadership in public service reforms involves the process of establishing the organization's direction, objectives, and priorities within a dynamic environment. This includes focusing on internal resources and energy to achieve set goals, as well as

aligning both internal and external stakeholders. Similarly, in Rwanda, service firms utilize various strategic leadership practices to enhance organizational success and gain a competitive edge in the market. These practices encompass setting a clear vision and mission, aligning goals with customer needs, promoting innovation and continuous improvement, building strong relationships with stakeholders, and empowering employees to make decisions across all levels of the organization (Muhire, 2024).

In Kenya, Wakhisi (2021) conducted a study on strategic leadership practices, emphasizing strategic direction, ethical practices, strategic thinking, change management, and competencies development. The study points out the critical role of strategic direction, human resource management, strategic controls, and ethical practices in the realm of successful strategic leadership. Similarly, Kitonga (2017) delved into strategic leadership practices, placing emphasis on strategic direction, human capital development, ethical behavior, and balanced strategic controls for organizational success. The study emphasized aligning leadership practices with strategic goals for sustainable growth and performance. Furthermore, Shimengah et al. (2023) emphasized core competencies, professionalism practices, and effective leadership in enhancing service delivery in county governments. These factors promote organizational sustainability and overall performance in the public sector. Strategic leadership aligns resources, maximizes capabilities, and promotes accountability for long-term success and resilience.

Service state corporations can reap numerous benefits from implementing strategic leadership practices to enhance their sustainability (Orito, 2021). Through having a clear strategic direction set by top management, these organizations can effectively align their goals with their mission and vision, leading to improved performance and efficiency.

Strategic leadership enables service state corporations to adapt to changing market conditions and anticipate future challenges, thus ensuring long-term viability (Kaguru, et. al., 2020). Moreover, by fostering a culture of innovation and continuous improvement, strategic leadership practices can drive organizational growth and competitiveness, ultimately enhancing the overall sustainability of service state corporations in the long run (Kiptoo & Sawe, 2022).

1.1.2 Sustainability of Service State Corporations

The concept of organizational sustainability pertains to a company's capacity to sustain its activities and financial viability in the long run, while simultaneously ensuring that the requirements of future generations are not compromised (Cavagnaro & Curiel, 2022). This definition focuses on financial stability, emphasizing the importance of generating profits and ensuring the financial viability of the business. Le and Ikram (2022) defined sustainability as the capacity of a company to adapt to changing market conditions, technological advancements, and competitive pressures in order to remain competitive and relevant in the marketplace. This definition highlights the importance of innovation, flexibility, and strategic planning in ensuring the long-term success of a business.

In assessing the sustainability of service state corporations, several key indicators are important such as financial stability, technological advancements, strategic planning and innovations (Strand, 2021). Financial stability is crucial to ensure that the corporation has the necessary resources to sustain its operations and fulfill its service obligations. Technological advancements focus on the corporation's ability to adopt and integrate new technologies to enhance its operations and achieve sustainable development goals. Strategic planning encompasses the act of setting long-term goals, devising strategies,

and allocating resources to achieve those goals. Innovations, on the other hand, refer to the creation and implementation of fresh ideas, products, or processes that contribute to the advancement of sustainable development (Suriyankietkaew, et. al., 2022).

State corporations prioritize providing services to the public rather than generating profits. To measure their sustainability, indicators such as service accessibility and affordability are important. This indicator assesses how easily the public can access services without financial barriers, reflecting the organization's commitment to serving the public interest and ensuring equal access (Tauringana, 2021).

In global perspective, sustainability of state corporations has been evaluated using different indicators based on the objective of the state corporations. For instance, In Korea, the sustainability of service state corporations is evaluated through financial indicators such as continuous employment and sales in addition to the goals of the corporation in the pursuit of economic activities (Ma, et. al., 2021). Continuance is guaranteed despite the existence of multiple objectives, and the goals such as revenue and donation coexist in such corporations.

In UK, the key metrics utilized to assess the sustainability of public service entities differ depending on the sector and specific organization (Alkaraan, et. al., 2023). Common indicators include resource efficiency, employee well-being, and customer satisfaction. Resource efficiency measures how well corporations use energy, water, and materials. Employee well-being focuses on the health, safety, and satisfaction of employees. Customer satisfaction assesses how satisfied customers are with the services provided.

This help in building trust with stakeholders, attract socially responsible investors, and drive continuous improvement in sustainability practices.

In Brazil, Alves, Ferreira and Araujo (2021) measuring the sustainability of service firms require a comprehensive assessment of their environmental impact, social responsibility, economic performance, and governance and ethics. Through evaluating these key indicators, stakeholders can gain a holistic understanding of a corporation's sustainability efforts and its overall impact on society, the environment, and the economy.

In Nigeria, Abdulsalam and Babangida (2020) used constructs such as resource management, stakeholder engagement, and financial performance as measures of firm sustainability. Through employing these constructs, researchers can gain insights into the level of sustainability achieved by service firms in Nigeria and contribute to the development of strategies for enhancing their overall sustainability performance. In Ghana, Okai-Mensah, Howard and Okai-Mensah (2022) used Triple Bottom Line (TBL) approach to evaluate sustainability of service firms in terms of environmental, social, and economic impacts. This approach helps to assess how well the organization is managing its resources, engaging with stakeholders, and generating financial returns while also considering its impact on the environment and society.

In Rwanda, a study conducted by Mwangi and Nyambane (2020) employed Global Reporting Initiative (GRI) framework to measure sustainability in service firm which provides guidelines for reporting on sustainability performance. Through following the GRI framework, organizations can ensure that they are transparently disclosing their sustainability practices and performance, which can help build trust with stakeholders and

investors. In Uganda, Taurigana (2021) argued that balance scorecard model is the best way to measure sustainability and can be tested using economic, operational and strategic measures to capture both financial and non-financial indicators. The balance score card model was proposed by Kaplan and Norton (2001).

In Kenya, Muriuki, Cheruiyot, and Komen (2017) conducted a study which highlighted that embedded sustainability presents numerous opportunities for creating business value and competitive advantage. These opportunities include better risk management, increased efficiency by reducing waste and resource use, improved product differentiation, entry into new markets, enhanced brand reputation, greater influence on industry standards, and increased potential for radical innovation. These advantages can be leveraged to enhance the sustainability of state corporations. Gatari (2023) emphasized the significance of measuring an organization's sustainability performance in the context of public entities. Ensuring the sustainability of state organizations in Kenya is crucial for enhancing the delivery of services to citizens in a more effective and efficient manner. Many state entities have adopted sustainable performance management practices to evaluate business and staff performance, thereby ensuring that state enterprises meet the needs of the public. In a study that was conducted by Wachira (2018) argued that financial stability in state corporations involves evaluating their financial performance, liquidity, solvency, and ability to generate sustainable profits. Researchers have proposed various financial indicators and ratios, such as return on investment, debt-to-equity ratio, and cash flow analysis, to assess the financial stability of state corporations.

Gikonyo, et. al., (2024) argued that technological advancements should consider factors such as research and development investments, adoption of new technologies, and the

integration of sustainable practices into technological processes. In organizations, technological advancements can be achieved through research and development, adoption of new technologies, and integration of digital solutions into its operations. According to Kimathi (2022) strategic planning serves as an effective mechanism to synchronize the objectives of an organization with sustainable practices. This alignment not only improves the overall performance of the organization but also enhances its resilience. Mboga, Datche and Kising'u (2023) point that the role of innovation in driving business growth and competitiveness cannot be overstated. Through innovation, companies are able to develop fresh products, services, and processes that cater to the dynamic needs of the market. In this study, financial stability, technological advancements, strategic planning and innovations will be used to measure sustainability in Kenyan State Corporation.

1.1.3 Service State Corporations

State corporations are government-owned firms or organizations established by an act of parliament to assist the government in carrying out critical duties that contribute to the nation's development (Ekai, 2023). They contribute significantly to the economy by providing public services such as transportation. They have been formed over time to promote broader development goals. They exist in different industries such agriculture, education, processing, health, insurance, transportation and communication, research, and the energy sector (GoK, 2020).

Service state corporations in Kenya play five functions in the national development effort. First, Service State Corporations play a vital role in supporting and accelerating economic growth and development. These entities are crucial to increasing the state's

capability and technological capacity to facilitate and promote national growth. Third, they play a crucial role in enhancing public service delivery, particularly addressing residents' fundamental requirements. Fourth, they have been used in a variety of ways to provide good and broad job possibilities across jurisdictions. Fifth, Service State Corporations are important for the focused and prudent creation of foreign alliances (GoK, 2020).

The Corporations have been founded and have served in a variety of capacities. In some circumstances, the experience was both negative and positive (Ekai, 2023). Kenya has recently set an ambitious but feasible development objective, which is expressed in Vision 2030. This is emphasized in its Second Medium Term Plan, 2013-2017, the primary implementation tool. It will need major reform in the way the study will identify and employ, among other things, our natural, financial, and organizational resources to analyze the relationship between strategic leadership practices and corporate sustainability of Service State Corporations in Kenya.

1.2 Statement of the Problem

The interplay between strategic leadership practices and financial sustainability is crucial for organizations aiming to thrive in a competitive environment. Strategic leadership practices serve as the guiding framework that enables organizations to effectively navigate market challenges and capitalize on opportunities (Mwasiri & Muchiri, 2022) these practices influence the decision-making processes, resource allocation, and overall organizational culture, directly impacting the ability to achieve long-term financial stability. As organizations increasingly face economic pressures and shifting market dynamics, the effectiveness of strategic leadership becomes paramount in ensuring that

financial sustainability is not just a goal but a continuous operational reality (Munyao, et. al. 2020). Therefore, understanding the connection between these two variables is essential for enhancing organizational performance and resilience in the face of uncertainty.

In the service sector, strategic leadership practices such as strategic articulation, strategic intelligence, strategic direction, and professionalism play pivotal roles in shaping financial sustainability (Okwiri & Muathe, 2024). Strategic articulation involves clearly communicating the organization's vision and goals, which fosters alignment among employees and stakeholders, leading to enhanced operational efficiency. Strategic intelligence enables leaders to analyze market trends and make informed decisions, allowing organizations to adapt to changing environments effectively. Furthermore, establishing a clear strategic direction guides resource allocation and prioritizes initiatives that drive financial performance (Gatari, 2023). Professionalism in leadership enhances credibility and trust, fostering stronger relationships with stakeholders and facilitating collaboration. However, many service state corporations face challenges in implementing these practices due to bureaucratic structures, political interference, and a lack of adequate training (Kegeni, 2021).

Several studies conducted in Kenya have explored the relationship between strategic leadership practices and financial sustainability, providing valuable insights but also highlighting important gaps. For instance, Mwangi (2022) investigated the impact of transformational leadership on financial performance within state-owned enterprises, emphasizing the role of effective leadership in enhancing organizational outcomes. Similarly, Ogotu and Muli (2023) analyzed the influence of strategic leadership on

innovation and stakeholder engagement in state corporations, underscoring the need for adaptive leadership approaches. Additionally, Kihoro et al. (2021) provided a comprehensive review of the literature linking strategic leadership practices to financial sustainability. However, these studies often generalize findings without focusing specifically on the unique challenges faced by service state corporations in Kenya, which operate in diverse environments presenting a contextual gap. Additionally, these studies focused on different aspects of strategic leadership other than the one the current study covers, this presents a conceptual gap that this study bridged. This study aims to address these gaps by specifically investigating the relationship between strategic leadership practices and financial sustainability in service state corporations across Kenya, contributing to a more nuanced understanding of this critical dynamic.

1.3 Objective of the study

1.3.1 General Objective

The general objective of the study was to determine the relationship between strategic leadership practices and the financial sustainability of service state corporations in Kenya.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

- i. To analyze the relationship of strategic articulation on the financial sustainability of service state corporations in Kenya.
- ii. To assess the relationship of strategic intelligence on the financial sustainability of service state corporations in Kenya.

- iii. To analyze the relationship of strategic direction on the sustainability of service state corporations in Kenya.
- iv. To determine the relationship of professionalism on the sustainability of service state corporations in Kenya.

1.4 Research Questions

The study sought to answer the following research questions

- i. What is the relationship of strategic articulation on the financial sustainability of selected state corporations in Kenya?
- ii. To what strategic intelligence affect financial sustainability of service state corporations in Kenya?
- iii. What is the relationship between strategic direction and financial sustainability of service state corporations in Kenya?
- iv. What is the relationship between professionalism and financial sustainability of service state corporations in Kenya?

1.5 Significance of the Study

1.5.1 Management

This research offers valuable insights to the board of directors and senior management of state-owned enterprises by elucidating the relationship between strategic leadership and corporate sustainability within the organization. Furthermore, it could assist in pinpointing areas for enhancement and promoting the integration of strategic leadership as a fundamental component of sustainable corporate practices.

1.5.2 Policy Makers

The results of this research hold importance for employees within regulatory state corporations in Kenya, as they shed light on the crucial link between strategic leadership and organizational corporate sustainability.

1.5.3 Researchers/Academicians

This study finding makes a significant contribution to the existing body of research on the corporate sustainability of state corporations. By providing a solid foundation for future studies, this research serves as a valuable resource for other researchers in the field. Moreover, it offers researchers and academicians essential information that can be utilized as research material and help identify gaps in the current knowledge base.

1.6 Scope of the Study

This study aimed at investigate the effect of strategic leadership practices on the financial sustainability of selected state-owned enterprises in Kenya. The research examines the correlation between strategic leadership practices and sustainability, with a specific focus on organizational leadership style, strategic articulation, strategic intelligence leadership, strategic direction, and professionalism. Sustainability was gauged by evaluating financial stability, technological advancements, strategic planning, and innovations. The study was restricted to 55 state corporations and a sample size of 384 respondents was selected. The study was conducted within a period of 5-month period from May to September 2024.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, an extensive examination and assessment of theories that provide a foundation for the study, along with empirical literature on study variables, are presented. Additionally, a conceptual framework is introduced to serve as a guiding principle for the study. Furthermore, the existing literature is analyzed to establish diverse relationships between the research variables, while also considering the explanations provided by other scholars and researchers.

2.2 Theoretical Review

Theory refers to the compilation of principles or statements that are formulated to provide an explanation and forecast for a phenomenon that lacks comprehensive understanding. Hawking (1996) also defines theories as analytical tools that are utilized to elucidate, comprehend, and predict social phenomena. Hence, the theoretical framework serves as an explanation for the aforementioned phenomenon. A theory or model offers the researcher a lens through which they can observe and interpret the world (Rocco & Plakhotnik, 2009). This particular study was founded upon the following theories: contingency theory, information processing theory, trait leadership theory, and ethical leadership theory.

2.2.1 Contingency Theory

This study was anchored on contingency theory which was advocated by House in 1996, which asserts that there is no universally applicable method for managing, planning, organizing, leading, and controlling an organization. Instead, a contingent leader adjusts

their leadership style based on the unique situation they are confronted with. According to Morgan (2007), there is a scholarly consensus that strategic leadership must possess the ability to be flexible and adapt to the evolving demands of customers. Furthermore, Vroom and Jago (2009) explain that strategic leaders must effectively utilize their leadership skills to ensure the successful implementation of organizational strategies.

In order to facilitate the implementation of strategies, strategic leadership should develop and articulate a comprehensive plan that delineates the roles, responsibilities, and reporting relationships between the strategic leadership team and employees. This action plan should align with the diverse requirements of customers. Lutans (2011) emphasizes the necessity for leaders to adapt to the dynamic environment in order to survive.

The theory posits that the decision-making style employed by a firm must align with the specific circumstances in which it operates (Martin, 1979). Strategic leaders are expected to possess an understanding of customer desires and to adopt a leadership approach that is congruent with customer needs. Furthermore, they should demonstrate a commitment to implementing strategies by motivating and inspiring employees to strive towards predetermined objectives (Vroom *et al.*, 2009). In a dynamic environment characterized by evolving stakeholder demands and regulations, cooperative work becomes essential. Leaders must be adaptable to the current situation and generate innovative ideas that allow for the reinvention of their organizations, ultimately enhancing performance.

Critics argue that the theory lacks an explanation for the variations in leadership and fails to address how to rectify this mismatch in the workplace. Consequently, it is essential for leaders to possess the qualities of an effective leader to enhance performance. In

accordance with this study, strategic leaders should involve their employees in important decision-making processes to prepare them for upcoming changes. This approach enables management to make well-informed decisions that take into account the needs of the employees. As a result, it contributes to the successful implementation of strategies and improves organizational performance. The significance of this theory in the study lies in the fact that strategic leadership is crucial for the overall sustainability of the organization.

2.2.2 Information Processing Theory

The theory information processing theory was advocated by Simon in 1979. This theory emphasizes the importance of leaders' ability to effectively process and analyze information in complex and dynamic environments, allowing them to anticipate challenges, identify opportunities, and develop strategic plans to guide their organizations towards success. According to this theory, strategic intelligence involves the capacity to assess and understand the internal and external factors that impact an organization, including market trends, competitor actions, and technological advancements. Leaders with strategic intelligence can process large amounts of data, identify patterns, and make decisions that align with organizational goals and future plans.

The theory has received criticism from Daft and Weick (1984) who argue that the theory oversimplifies the complex decision-making processes involved in effective leadership. Tushman and Nadler (1978) argue that this theory fails to account for the various contextual factors that can influence a leader's ability to process information and make strategic decisions. Detractors of this theory such as Csikszentmihalyi (1988) suggest that it places too much emphasis on the individual leader's cognitive abilities, neglecting the

importance of interpersonal dynamics, organizational culture, and external environmental factors in shaping leadership effectiveness.

In this study, the theory supports strategic intelligence as used in the study as one of the independent variable. Leaders who possess a strong understanding of this theory can effectively gather and process relevant information, analyze it, and make informed decisions that align with their organization's strategic goals. By applying the principles of the information processing theory, leaders can enhance their ability to identify patterns, anticipate future trends, and make strategic choices that drive organizational success.

2.2.3 Trait Leadership Theory

The concept of trait leadership theory was introduced by Allport in 1937, highlighting the significance of cardinal traits in shaping an individual's behavior, such as the pursuit of fame. Central traits are universally present to some extent in individuals, while secondary traits are context-specific and offer insights into human complexity (Eysenck, 1990; Costa & McCrae, 2000). According to Bhatia (2009), trait theory suggests that specific traits and characteristics are associated with effective leadership, including physical, social, and task-related attributes that are inherent and contribute to success. Empirical studies have provided evidence supporting trait theory and its impact on organizational sustainability (Northouse, 2013), with the list of leader traits continuously expanding with the emergence of new leaders.

Numerous studies have been conducted to explore the diversity of leadership traits; however, the trait leadership theory has faced criticism (Northouse, 2013). One of the main criticisms is the belief that leadership is not solely an innate quality, but rather

something that can be learned and nurtured. Throughout history, there have been instances where successful leaders emerged from various situations, indicating that leadership is not solely dependent on inherent traits. Furthermore, it is argued that leadership qualities are not inherently divine or mysterious (Northouse, 2013). The notion that leaders succeed solely due to possessing specific traits in isolation from other factors is also challenged (Bhatia, 2009). While individual traits do play a role in leadership effectiveness, the literature suggests that other environmental factors also contribute to leadership success (Bhatia, 2009; Northouse, 2013).

This theory is relevant as it helps organizations identify leaders based on the necessary qualities and traits for effective leadership. The strategic leadership approach is crucial for managerial effectiveness and performance. Additionally, the relevance of this theory includes detailing how leaders implement leadership practices. The trait leadership theory is significant in this context as it outlines the innate qualities that predispose individuals to strategic leadership. Leaders must offer guidance to ensure organizational performance and goal achievement. To accomplish this, strategic direction should emphasize vision statements, organizational objectives, and organizational strategy to enable the organization to function as intended.

2.2.4 Ethical Leadership Theory

Trevino et al. introduced this theory in 2000, which establishes the guidelines and principles for discerning right and wrong. Nevertheless, ethical theory is influenced by various cultural and philosophical norms and beliefs, as mentioned earlier. Consequently, this leads to the emergence of diverse normative ethical stances. Building upon this theory, later scholars expanded on the concept of ethical leadership and identified five

essential dimensions: character, technical expertise, empowerment behavior, moral values, and psycho-emotional aspects (González & Guillen 2002).

According to the theory, individuals who possess moral character exhibit distinct traits, behaviors, and decision-making criteria. The theory suggests that ethical managers actively promote ethics and values, employ a system of rewards and discipline for employees, and serve as visible role models. Ethical leadership theory places emphasis on the ethical principles of proper conduct as a means of effectively managing subordinates (Wendt, 2019). Consequently, ethical leaders exert influence on others by exemplifying ethical behavior.

Ethical leadership theory emphasizes the interconnectedness between the welfare of employees, the broader community, and the financial success of the organization. Leaders who embrace this theory strive to comprehend the unique regulations and traditions within the organization, ensuring their strict adherence. By taking into account established norms and shared values, ethical leaders make informed decisions. The integration of ethical leadership theory is essential for effective strategic leadership and organizational success (Kalyar & Ahmad, 2018).

The ethical leadership theory delineates the moral attributes that define an ethical leader and the ethical conduct that should be demonstrated by such a leader (Hawass, 2016). According to this theory, the way in which employees and key external stakeholders perceive a leader, both in terms of moral character and managerial ethics, shapes the leader's reputation as an ethical leader. These perceptions are crucial for effective executive ethical leadership. The theory's relevance to this study lies in its advocacy for

professionalism that are believed to enhance organizational performance when leaders prioritize ethical considerations. The study will assess professionalism through the examination of accountability, transparency and ethics.

2.3 Empirical Review

This section summarizes the research conducted on how strategic leadership practices and their corresponding measures of sustainability. The review is based on research published in journals, articles, and books.

2.3.1 Strategic Articulation and Financial Sustainability

The influence of strategic articulation on organizational sustainability has been addressed in important studies. AlQershi (2021) did a study on the relationship between strategic articulation and firm sustainability. The study revealed a compelling correlation, emphasizing that strategic articulation is crucial for sustaining organizational performance. This study reinforces the idea that clarity in strategic leadership practices directs organizations toward sustainable outcomes. On the other hand, Grant, (2016) pointed out that organizations must adapt their more appealing strategies to remain sustainable over time due to dynamic changes in the business environment. Grant argument introduces a layer of complexity, suggesting that mere articulation is insufficient and that organizations also need to evolve their strategies in response to changing environments (Hitt, Ireland, & Hoskisson, 2012; Grant, 2016). This leaves a contextual gap that the current study aims to bridge by examining the influence of strategic articulation of financial sustainability of State Corporation in Kenya.

Zerfass et al. (2020) examined the pivotal role of strategic articulation in influencing firm sustainability, arguing that effective communication of an organization's mission is critical for fostering sustainable practices. Their study combined theoretical perspectives with empirical evidence gathered from interviews, thus offering practical implications for enhancing the sustainable-strategic nexus. In another study by Schaltegger and Wagner (2011) focused on the strategic articulation and organizational outcomes, positing that well-defined strategies are essential in navigating market complexities and securing long-term sustainability. This suggests that organizations can simultaneously achieve competitive advantage and sustainability through clear strategic communication, a viewpoint that resonates with scholarly literature emphasizing the importance of mission clarity (Freeman, 2010; Porter & Kramer, 2011). While both studies highlight the significance of strategic articulation, they primarily focus on corporate contexts, overlooking how these principles apply specifically to public institutions. The current study aims to bridge that gap, investigating how strategic articulation impacts the sustainability of these public entities amidst unique socio-economic challenges, thereby enriching the existing discourse on strategic management in the public sector.

Prieto, Phipps, Robertson, and Reynolds (2024) revealed that strategic articulation is positively and significantly related to firm sustainability, emphasizing that clear communication of strategic goals fosters a culture of sustainability within organizations. This study highlights how articulated strategies enable firms to align resources and operations toward sustainability objectives. In their study, de Oliveira, Carneiro, and Esteves (2019) argue that for organizational sustainability, integrating sustainability considerations into the overall strategy is essential. Their research posits that strategic

articulation serves as a framework for prioritizing sustainability goals and embedding them into the fabric of daily operations, thus enabling a more cohesive approach to sustainable practices (Hitt, Ireland, & Hoskisson, 2012), these studies affirm the necessity of strategic articulation for sustainability, they predominantly focus on private sector organizations, leaving a notable contextual gap. Thus, this current study aims to bridge the gap by investigating how strategic articulation influences the financial sustainability of state corporations in Kenyan context.

Luca (2019) found that organizations with a clear and articulated sustainability strategy are significantly more likely to successfully achieve their sustainability objectives. This study underscores the necessity of straightforward communication regarding sustainability initiatives as a foundational element of success in this area. Conversely, Fassin and Lavigne (2020) argued that strategic articulation guarantees sustainability achievement, arguing that effective implementation and ongoing monitoring are critical components that must accompany any articulated strategy. This perspective suggests that while strategic articulation sets the direction, the absence of robust execution can hinder progress. Integrating sustainability into business strategies allows organizations to create shared value, thereby enhancing long-term viability (Porter & Kramer, 2011). Despite these valuable insights, a gap exists concerning how these dynamics play out in the context of service state corporations in Kenya. This study aims to bridge this gap by examining the influence of strategic articulation on the sustainability of these public entities, thereby enriching the understanding of strategic management in the public sector.

In their study, Adams and Okonkwo (2021) examined the sustainability challenges faced by service firms in Nigeria, emphasizing the critical role of strategic articulation practices. Their findings indicated that limited strategic articulation directly contributed to the sustainability challenges experienced by these firms, highlighting the necessity for well-defined strategies to guide sustainable practices. Osei and Boateng (2021) explored discovered a significant positive relationship between strategic articulation and organizational sustainability. This study suggests that effective strategic communication not only enhances sustainability efforts but also fosters resilience within organizations (Sharma & Bansal, 2020; Russo & Resti, 2020). These studies underscore the importance of strategic articulation revealing a crucial gap in understanding how these dynamics in Kenyan context. Therefore, the current study aims to bridge this gap by investigating the influence of strategic articulation on the sustainability of these public entities, thus contributing to a more nuanced understanding of sustainability in diverse organizational contexts.

Mwasiri and Muchiri (2022) posited that strategic articulation is significantly correlated with firm sustainability, emphasizing how effective strategic alignment enhances organizational resilience in Kenya's evolving business landscape. Their findings suggest that when organizations clearly articulate their strategies, they enhance their capacity to navigate challenges and secure long-term success. Kioko and Kariuki (2024) focused specifically on State Service Corporations in Kenya, revealing that these entities encounter substantial obstacles in formulating and communicating their strategic plans. Their research highlights a critical barrier to achieving sustainability, noting that insufficient stakeholder engagement further complicates effective strategic articulation.

While both studies underscore the importance of strategic articulation, they differ in context and findings; Mwasiri and Muchiri project a generally optimistic view, whereas Kioko and Kariuki highlight significant operational challenges. This presents a notable gap in understanding how these dynamics affect the sustainability of State Service Corporations in Kenya, which the current study aims to address by investigating the specific influence of strategic articulation on their sustainability.

2.3.2 Strategic Intelligence and Financial Sustainability

Massad and Al-Shura (2023) underscored the importance of strategic intelligence in securing the long-term viability and resilience of shipping lines, arguing that effective implementation of strategic intelligence enhances operational efficiencies and promotes sustainability through informed decision-making. Their research highlights that a proactive approach to incorporating strategic intelligence can help organizations navigate complexities in a rapidly changing industry landscape. Paiuc et al. (2024) focused on broader organizational settings, illustrating how strategic intelligence aids in decision-making and strategic planning by enabling organizations to collect, analyze, and interpret critical information. They argue that this intelligence is essential for identifying market opportunities and potential threats, thereby fostering long-term sustainability (Svensson et al., 2011; Nadarajah et al., 2014). Despite the valuable insights offered by both studies regarding the role of strategic intelligence, there exists a gap in contextualizing these findings within the Kenyan environment, particularly for Service State Corporations. The current study aims to bridge this gap by investigating how strategic intelligence influences sustainability within this specific context, providing a targeted understanding that aligns with local challenges and dynamics.

Alhamadi (2020) explored the role of strategic intelligence in enhancing the sustainability of manufacturing firms, emphasizing elements such as foresight, future vision, strategic partnership motivation, and systems thinking. The study concluded that nurturing these components is vital for ensuring long-term success and adaptability within an increasingly competitive landscape. Hamour et al. (2023) examined the impact of strategic intelligence on logistics companies, highlighting similar elements, organized thinking, strategic vision, foresight, partnerships, and motivation, as pivotal for fostering sustainability in these organizations. Both studies affirm that strategic intelligence is essential to achieving firm sustainability; however, they predominantly focus on sectors outside of the public service realm (Heiko et al., 2015). This presents a notable gap, particularly concerning service state corporations in Kenya, which face unique challenges distinct from manufacturing and logistics sectors. The current study aims to bridge this gap by scrutinizing how strategic intelligence influences the operational sustainability of these corporations, thereby providing valuable insights into local sustainability practices.

Gitelman et al. (2021) established that companies engaging in strategic intelligence activities significantly enhance their ability to adapt to changing environmental conditions, ultimately leading to better sustainability outcomes. Their study emphasizes the criticality of proactive strategic intelligence initiatives in navigating market fluctuations and aligning with sustainability goals. On the other hand, Odiachi et al. (2021) highlighted that organizations involved in strategic intelligence are better positioned to predict and respond to shifts in their competitive landscape, thereby improving their sustainability capacities. This study highlights the importance of strategic intelligence not only for competitive advantage but also for meeting evolving stakeholder

expectations (Abd et al., 2019; Arcos, 2016). While both studies articulate the pivotal role of strategic intelligence in organizational sustainability, they overlook the specific dynamics within the Kenyan context, particularly in Service State Corporations, which operate under unique challenges. The current study aims to bridge this gap by focusing on how strategic intelligence drives sustainability in these particular entities, contributing important insights to the broader conversation.

Kori, Muathe, and Maina (2021) emphasized the importance of strategic intelligence as a key enabler in embedding sustainability within the core business strategies of organizations, arguing that it provides essential insights that guide informed decision-making about sustainability initiatives. Their study illustrates how companies leveraging strategic intelligence not only enhance their market share but also bolster financial performance and competitive advantage. Waithaka (2022) posited that cultivating a culture of strategic intelligence within organizations is crucial for fostering innovation, improving adaptability, and ensuring sustainable growth. While both studies underscore the critical role of strategic intelligence in advancing organizational sustainability, they primarily focus on broader business sectors without addressing the unique challenges faced by service state corporations in Kenya. This presents a significant gap that the current study seeks to bridge by examining the influence of strategic intelligence specifically within these organizations, providing localized insights necessary for driving sustainability in the Kenyan context.

2.2.3 Strategic Direction and Organizational Sustainability

Oluoch, K'Aol, and Koshal (2021) investigated the critical role of strategic direction, particularly focusing on the vision statement, in promoting organizational sustainability.

Their research revealed that organizations with clear and forward-thinking vision statements are better positioned to achieve sustainable growth and maintain a competitive edge. These findings underscore how a well-crafted vision serves as a roadmap that aligns stakeholder efforts toward shared goals. Wongleedee (2023) explored how an engaging vision statement significantly enhances an organization's ability to attract and keep talented employees, which subsequently plays a vital role in fostering overall sustainability. While both studies affirm the importance of strategic direction for organizational success, they primarily address general organizational contexts, absent of specific investigations into the unique challenges faced by firms. This oversight leaves a notable gap that the current study aims to fill by examining the influence of strategic direction within this specific Kenyan setting, thus providing targeted insights and recommendations for these organizations.

Dolenc, Stubelj, and Laporsek (2021) highlighted the significance of clear organizational objectives as essential tools for measuring progress, identifying areas for improvement, and enabling informed decision-making that drives success. Their study indicates that organizations with well-defined objectives are better equipped to guide their efforts, thereby enhancing overall performance and sustainability. Ikotun et al. (2021) demonstrated that organizations that establish specific objectives are consistently more likely to attain sustainable performance outcomes, as these ambitious targets inspire greater commitment and innovation. While both studies underscore the need for strategic direction through organizational objectives, they do not fully address the specific challenges faced by Service State Corporations in Kenya. This presents a notable gap that the current study seeks to address by investigating how strategic direction specifically

influences sustainability within this unique context, thereby aiming to provide tailored insights that could enhance performance and adaptability in these organizations.

Al-Surmi, Cao, and Duan (2020) underscored the critical role of strategic agility as a pivotal component of organizational sustainability. Their study illustrated that firms capable of swiftly adapting their strategies to capitalize on emerging opportunities or mitigate threats tend to sustain their competitive edge. Lerai, Rintari, and Moguche (2023) explored the effects of strategic direction specifically within commercial-based parastatals. Their findings revealed alarming inefficiencies, as management distractions led to the misallocation of resources, compromising operational effectiveness and ultimately preventing strategic goals from being achieved. This misdirection of efforts, driven in part by personal agendas, raised questions about the integrity of resource management within these organizations. While both studies assert the formidable impact of strategic direction on sustainability, they do not adequately address the broader implications of strategic agility within Kenyan service state corporations. Therefore, the current study seeks to fill this critical gap by investigating how strategic direction specifically influences sustainability outcomes in this unique sector.

Olson et al. (2019) conducted a study in Ghana, highlighting that parastatals have suffered from a critical lack of strategic direction, particularly related to innovation, which has resulted in outdated manual documentation practices that hinder efficient task completion. This study underscores the necessity of a clear strategic framework to streamline operations and improve overall organizational performance. Umar (2020) focused on the importance of establishing well-defined strategies within organizations, arguing that clear strategic direction not only fosters alignment among employees and

stakeholders but also enhances productivity and reduces resistance to change. While both studies emphasize the need for effective strategic direction to improve organizational outcomes paying less attention to public institution where similar challenges may exist but have not yet been thoroughly explored. Addressing this gap, the current study aims to investigate the influence of strategic direction on sustainability within these organizations, aiming to provide a nuanced understanding of the local dynamics that impact sustainable practices.

Kungu et al. (2020) revealed a positive and significant correlation between strategic direction and the overall performance of motor vehicle assembly firms, suggesting that aligning strategic practices with mission and vision statements is essential for enhancing organizational success. Their findings highlight the integral role that well-defined strategic direction plays in guiding firms towards achieving their objectives and optimizing performance. On the other hand, Munyao et al. (2020) explored the influence of strategic direction on the sustainable performance of African Inland Church theological training institutions within the Kenyan context, uncovering impactful insights into how strategic direction contributes to operational effectiveness in these organizations. While both studies underscore the importance of strategic direction, they predominantly focus on distinct sectors, leaving a notable gap in understanding how strategic direction uniquely influences organizational sustainability, particularly in the context of public institutions in Kenya. This current study aims to address this gap by investigating the specific mechanisms through which strategic direction affects sustainability in these entities, providing a much-needed framework for improvement.

2.2.4 Professionalism and Financial Sustainability

Frye et al. (2024) emphasize that professionalism is a fundamental element of strategic leadership practices, significantly influencing leaders' abilities to navigate organizations toward their goals. The study argues that professional leaders not only make informed decisions but also build essential trust among stakeholders and inspire team members, thereby cultivating a positive work culture that drives organizational success. Bracken et al. (2023) delve into how professionalism contributes to organizational sustainability by maintaining transparency, ethics, and accountability, which are crucial for aligning actions with organizational values.

Rodd (2020) highlights the pivotal role of ethical leadership in aligning decision-making with an organization's core values, asserting that leaders with strong moral integrity are more adept at making ethical choices that ultimately benefit both the organization and its stakeholders. This emphasis on professionalism underlines that ethical considerations are crucial in fostering organizational sustainability, especially in navigating complex scenarios where difficult decisions arise. DeJuliis (2024) expands on this by arguing that ethics transcends mere avoidance of misconduct; instead, it fosters a culture of trust and integrity, vital for inspiring confidence among team members and stakeholders alike. While both studies emphasize the importance of professionalism in fostering ethical behavior, they predominantly focus on general organizational settings, presenting a notable gap regarding the application of these principles. The current study aims to bridge this gap by focusing on how strategic professionalism specifically influences organizational sustainability in this local context, aiming to provide insights that can enhance effectiveness in service delivery.

Gurley et al. (2022) emphasize the pivotal role of ethical leadership in fostering professionalism and its subsequent influence on organizational sustainability. Their research illustrates that leaders exhibiting ethical behaviors are viewed as more trustworthy and credible, significantly enhancing their ability to build trust with stakeholders. This is particularly vital during crises, as ethical leaders can maintain stakeholder trust and inspire confidence in their organizations. Meanwhile, Schauer (2011) discusses how ethical leadership also contributes to attracting and retaining top talent, suggesting that employees are increasingly drawn to organizations committed to strong values. Although both studies underline the critical connection between professionalism and organizational sustainability, particularly lacking in-depth analysis of how these dynamics manifest within Kenyan service state corporations. This creates an essential gap that the current study seeks to address by exploring how strategic professionalism impacts sustainability in these organizations, thereby offering insights tailored to a specific cultural and operational landscape.

Kouzes and Posner (2017) highlight the critical role of transparency in fostering professionalism and ultimately influencing organizational sustainability. Their research focuses on how transparent leadership cultivates trust and credibility among team members, stakeholders, and the wider community. They argue that this sense of trust is particularly crucial in strategic leadership, where decisions bear significant consequences for both the organization and its stakeholders. Rodd (2020) emphasizes that transparent leaders actively promote open communication and collaborative decision-making, thereby nurturing a culture of trust and teamwork. While both studies emphasize the importance of transparency in underpinning professionalism, leaving a notable gap in

understanding how these dynamics specifically affect Kenyan service state corporations. This study aims to bridge this gap by examining how strategic professionalism, guided by transparency, impacts organizational sustainability in these entities, thus providing relevant insights for improving operational effectiveness in a distinct cultural framework.

Ball (2009) discusses the essential role of transparency in fostering professionalism and its significant influence on organizational sustainability. His research highlights that leaders who prioritize transparency are perceived as more trustworthy and credible by their followers, which can mitigate the fallout from mistakes or scandals. This cultivation of trust is vital for sustaining long-term relationships within organizations. In contrast, Kosack and Fung (2014) examine the additional dimension of transparency as a facilitator for learning and improvement, suggesting that when team members feel safe to share their thoughts, they are more likely to offer constructive feedback. This creates a culture of openness that can enhance operational effectiveness. While both studies underline the importance of transparency in promoting professionalism and sustainability, they predominantly address contexts outside of Kenyan, leaving a critical gap. Therefore, the current study aims to fill this void by investigating how strategic professionalism, particularly through transparency, influences sustainability in the unique context of Kenyan state entities.

2.2.5 Financial Sustainability of Service State Corporations

In the domain of financial sustainability, the research by Chkareuli, Darguashvili, Atstaja and Susniene (2024) focused on the significance of efficient resource allocation. The study employed a quantitative approach, analyzing budgetary allocations in 100 public sector organizations, revealing that those with optimized resource management

demonstrated better financial outcomes and operational efficiency. Gleiner, Gunther and Walkshausl (2022) examined the role of performance measurement systems in public organizations. Utilizing case studies across five firms, they found that integrating performance metrics aligned with financial goals enhanced accountability and fiscal discipline. While both studies emphasize resource allocation and performance measurement as critical dimensions of financial sustainability, they predominantly emphasize general public sector trends rather than specific applications within Kenyan service state corporations, thus illustrating an existing gap that the current study aims to address.

Alosani, Yusoff and Al-Dhaafri (2020) explored the impact of revenue diversification on public corporations. Through a mixed-method approach involving surveys and interviews, the findings indicated that state corporations with multiple revenue streams reported greater financial stability and resilience. Stocker, Sajjad, Raziq, and Pacheco (2022) investigated the link between stakeholder engagement and financial sustainability in public entities, employing a quantitative analysis of survey data from various government organizations. Their results indicated that active engagement with stakeholders led to improved trust and financial support from the community. Despite both studies identifying crucial components related to financial sustainability, there is a notable gap regarding their findings' specific applicability to service state corporations in Kenya. The current study aims to bridge this by closely examining how revenue diversification and stakeholder engagement shape financial sustainability in that unique context.

The study conducted by Williams and Carter (2022) focused on the significance of financial transparency in public organizations. Utilizing a qualitative methodology, they conducted interviews with senior officials in 15 state corporations, uncovering that transparency was linked to enhanced fiscal responsibility and public trust, directly influencing financial sustainability. Similarly, the research by Lopez et al. (2023) investigated the role of strategic financial planning in public sector organizations by analyzing budgeting practices across 50 state entities. Their findings indicated that comprehensive financial planning not only mitigated risks but also improved long-term financial performance. While both studies underscore the importance of transparency and planning, they do not address the specific challenges faced by service state corporations in Kenya, representing yet another gap that this study seeks to fill by analyzing these constructs within that particular framework.

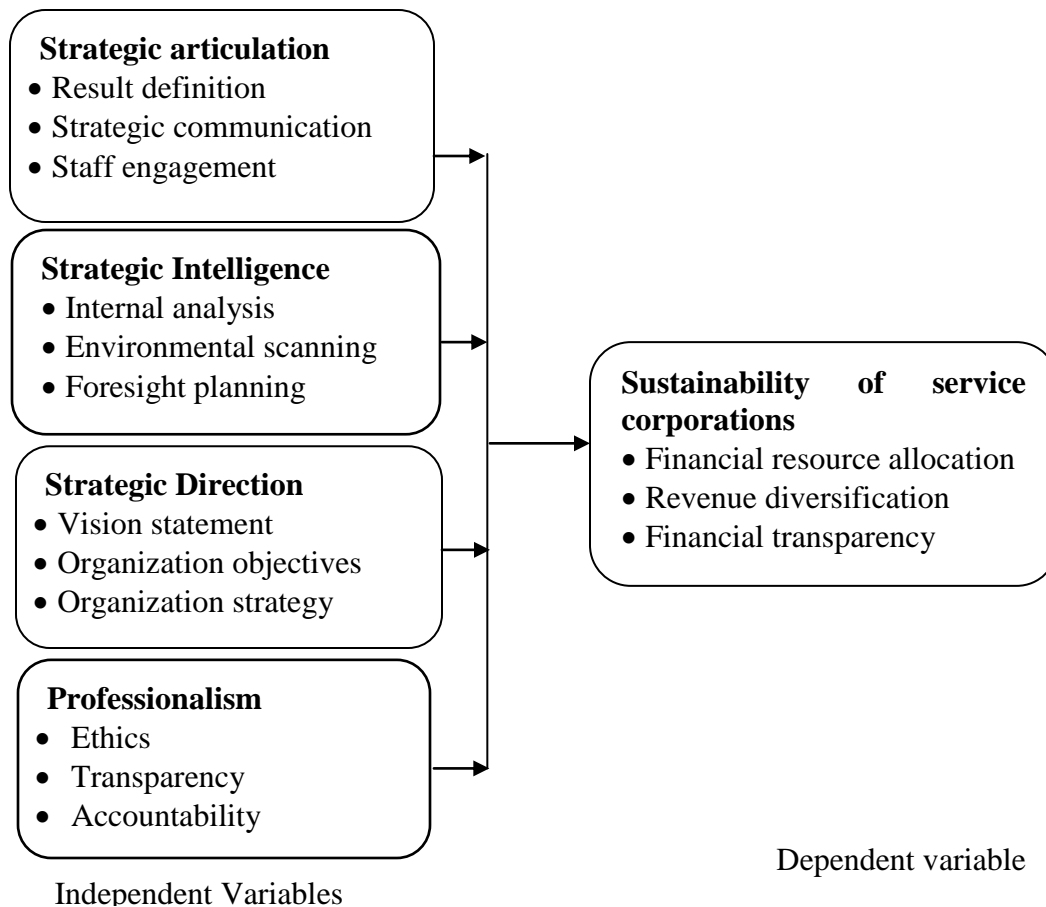
Kalluri (2023) explored the effects of human resource management practices on the financial sustainability of public entities. By conducting a large-scale survey of 200 public sector organizations, they found that effective HR practices positively correlated with financial sustainability through enhanced employee performance and reduced turnover costs. Ogunkoya, Hassan, Soremekun and Ogundele (2024) examined the role of information technology in promoting financial sustainability in state corporations. This study intends to address this gap by investigating how human resource management and information technology strategies can effectively contribute to the financial sustainability of public agencies in the Kenyan setting.

2.4 Conceptual Framework

A conceptual framework, as defined by Mugenda and Mugenda (2009), visually represents the relationship between independent and dependent variables in research. This study's framework includes strategic articulation, strategic intelligence, strategic direction, and professionalism as independent variables and financial sustainability as the dependent variable. Figure 2.1 illustrates the hypothesized relationships for exploration and analysis by the researchers.

FIGURE 2.1

Conceptual Framework



2.5 Research Gaps

Even though studies have been carried out on strategic leadership practices and sustainability, geographical, contextual, theoretical and methodological gap still exist that the current study aims to bridge. For instance, Prieto, Phipps, Robertson, and Reynolds (2024); AlQershi (2021); Adams and Okonkwo (2021); Uwamahoro (2021); Massad and Al-Shura (2023); Ahmed, Abduljabbar, and Hussein (2021); Odiachi, Kuye, and Sulaimon (2021); Kasasbeh, Harada, Abdullah, and Basman (2018) and Zakari, Poku, and Owusu-Ansah (2021) carried out their study in other countries presenting a geographical gap. Similarly, most of the studies covered were conducted in different sectors and industries other than service state corporation this presents a contextual gap such as Prieto, Phipps, Robertson, and Reynolds (2024); Massad and Al-Shura (2023); Alobidyeen and Al-Rawashdeh (2020) and Alhamadi (2020). However, the current study will focus on strategic articulation, strategic intelligence, strategic direction, and professionalism as the dimensions of strategic leadership practices, which makes the current study unique compared to other studies. Finally, most of the studies have revolved around common theories in their discussions, while the current study introduces the information processing theory that will add knowledge to the aspects of strategic leadership practices in the context of strategic intelligence.

2.6 Operationalization of Variables

Operationalization is clearly defining variables in quantifiable terms and putting them into operation so that they can be analyzed quantitatively in research endeavors. Within the scope of this particular study, operationalization entails outlining the methods by

which each variable is assessed and determining the scale that is employed for measurement.

TABLE 2.1
Operationalization of Variables

Category	Variable	Operationalization	Measurement	Scale
Independent Variables	Strategic articulation	Result definition	Structured Questionnaires	Ordinal
		Strategic communication	Structured Questionnaires	Ordinal
		Staff engagement	Structured Questionnaires	Ordinal
	Strategic intelligence	Internal analysis	Structured Questionnaires	Ordinal
		Environmental scanning	Structured Questionnaires	Ordinal
		Foresight planning	Structured Questionnaires	Ordinal
	Strategic direction	Vision statement	Structured Questionnaires	Ordinal
		Organization objectives	Structured Questionnaires	Ordinal
		Organization strategy	Structured Questionnaires	Ordinal
	Professionalism	Ethics	Structured Questionnaires	Ordinal
		Transparency	Structured Questionnaires	Ordinal
		Accountability	Structured Questionnaires	Ordinal
Dependent Variable	Financial sustainability of service corporations state	Financial resource allocation	Structured Questionnaires	Ordinal
		Revenue diversification	Structured Questionnaires	Ordinal
		Financial transparency	Structured Questionnaires	Ordinal

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter provides an overview of the research methodology to be utilized in this study. It includes the research design, target population, sampling techniques, data collection tools, data collection procedures, and data analysis approach. Additionally, ethical considerations are also discussed to ensure respondents' consent is captured, integrity, and confidentiality throughout the research process are observed.

3.2 Research Design

A research design acts as a structured framework directing the organized collection, compilation, and examination of data. It includes a detailed plan that outlines the methodology to be employed in the research study, ensuring that essential data is gathered methodically to address the research inquiries. As stated by Sekaran (2010), an effectively designed research project should have a clearly defined aim and a consistent alignment between the research questions and the chosen methodology. For this investigation, a cross-sectional descriptive research design was implemented. This approach was chosen because it enables the researcher to collect data at a specific point in time, thus efficiently acquiring information from a broad population and allowing for the analysis of variables or phenomena as they currently exist.

3.3 Target Population

According to Kothari (2011), the population is a complete set of individuals or objects that the researcher intends to study, while Sekaran (2010) defines it as a group of

individuals or objects sharing a common observable characteristic. The unit of analysis for this study comprised of 55 service state corporations in Kenya (National Treasury of Kenya, 2023). On the other hand, the unit of observation was 1396 staff. These staff are distributed in the middle and upper level of management in the following departments, that is, finance department, human resources department, legal department, operations department, public relations and communications department (National Treasury of Kenya, 2023). The choice of these respondent is based on the fact that they possess a lot more information on the concept that this study sought.

TABLE 3.1
Target Population

Departments	Population	Sample Size
Finance department	251	18
Human Resources Department	324	23
Legal department	228	16
Operations department	335	24
PR & Communication	258	19
Total	1396	384

3.4 Sampling Technique and Sample Size

The following section outlines the methodologies and strategies that was employed in the sampling process, as well as the step-by-step procedure for sampling, culminating in the selection of the final study sample from the target population. This section also details the specifics of data collection, organization, and interpretation.

3.4.1 Sampling Technique

The sampling method refers to the strategy utilized for choosing the population units that will form the sample (Cooper & Schindler, 2003). In this research concerning the service state corporation, a census was employed, involving all 55 corporations in the investigation. This approach is suitable given the small, manageable size of the population. Additionally, Fisher's formula was applied to determine the precise number of respondents to be included in the study, which was drawn from a total employee population of 1,396 in the designated departments.

3.4.2 Sample Size

In this research, all 55 service state corporations participated in the study. Conversely, the Fisher formula was utilized to determine a sample size of 384 respondents. The specific Fisher model applied is as follows.

$$n = \frac{z^2 p (1-p)}{\delta^2}$$

Where; z - Statistical constant (1.96)

 P - Prevalence of undetermined population (0.5)

δ - Error of margin (0.05)

$$\frac{1.96^2 \times 0.05(1-0.5)}{0.05^2}$$

$$\frac{3.8416 \times 0.05 (0.5)}{0.0025}$$

Sample size =384

Distribution of sample size is shown in table 3.1.

Of the 55 service state corporations, seven (7) respondents were targeted in each corporation. This ensures there is an equal distribution of respondents across all organizations involved in this study. In each organization, two (2) respondents were

selected from the finance department, one (1) from the HR department, one (1) from the legal department, two (2) from the operations department, and one (1) from the PR and communication department.

TABLE 3.1
Sample Size

Departments	Population	Sample Size
Finance department	251	69
Human Resources Department	324	89
Legal department	228	63
Operations department	335	92
PR & Communication	258	71
Total	1396	384

3.5 Data Collection Instruments

Utilizing a questionnaire, the study aims to acquire primary data (Zikmund, Babin, Carr, & Griffin, 2010; Kothari & Gaurav, 2014; Mugenda & Mugenda, 2009). The questionnaire structured into four sections, with Section A dedicated to gathering demographic information from the survey respondents. Section B addressed the independent variables such as strategic articulation, strategic intelligence, strategic direction, and professionalism. Section C contained inquiries concerning sustainability in the context of service state corporations. The type of data that was gathered is quantitative. To evaluate the responses, a Likert scale ranging from 1 to 5 was utilized, where 1 represents strong disagreement and 5 signifies strong agreement. Employing a questionnaire provides various benefits, including guiding respondents through response options, reducing data collection time, and cutting down on expenses.

3.6 Pilot Test

Cooper and Schindler (2011) emphasized the importance of performing a pilot study to identify potential flaws in the research design and tools, and to gather preliminary data for the proper selection of a representative sample. Kothari (2011) proposed that a pilot study entails administering the intended questionnaire to a small group of individuals for pre-testing the questions. The purpose of this pilot study was to assist researchers in identifying the challenges, flaws, or weaknesses present in the questionnaire design, enabling them to make the necessary adjustments before the actual implementation of the study (Kvale, 2007).

According to Mugenda and Mugenda (2009), the sample size for a pilot study typically varies from 1% to 10% of the total sample size. Similarly, Kothari (2009) and Sekaran (2006) proposed a 1% sample size for a pilot study. The information obtained from the pilot testing phase is essential for enhancing the effectiveness of the research instrument. In this study, the questionnaires were pilot tested with 38 respondents, representing 10% of the sample size. The selection of these respondents was conducted through random sampling from state commercial corporations, assuming that they possess similar characteristics. It is important to emphasize that the results of the pilot study were not incorporated into the final findings of the research.

3.6.1 Reliability of Research

A reliable questionnaire is one that would give the same results if used repeatedly with the same group (Collis & Hussey, 2013). In this study, the Cronbach coefficient alpha was used to calculate the internal consistency or reliability of the measuring instrument. The Cronbach coefficient alpha will be used to calculate the internal consistency

(reliability) of the measuring instrument. George and Mallery (2003) provide the following rules of thumb for the Cronbach's alpha test: $\alpha > .9$: excellent; $\alpha > .8$: good; $\alpha > .7$: acceptable; $\alpha > .6$: moderate; $\alpha > .5$: poor, and $\alpha < .4$: unacceptable. According to Cooper and Schindler (2006), a Cronbach's alpha coefficient ranging between 0.7 and 0.9 is considered good. Gliem and Gliem (2003) recommend a Cronbach's value of 0.7, while Asikhia (2009) recommends a reliability cutoff of 0.6. For this study, a Cronbach's value of 0.7 was considered acceptable.

3.6.2 Validity Test

Validity refers to the degree to which a questionnaire accurately measures its intended construct. As noted by Cooper and Schindler (2014), validity is the most essential characteristic of any measurement tool, ensuring it effectively measures its designated purpose. Validity can be assessed in three primary ways: face or content validity, construct validity, and criterion validity (Johnston, 2014). In this research, both construct and content validity were employed. The content validity of the instrument was verified through discussions with experts in strategic leadership practices. Construct validity was ensured with the supervisor's guidance to confirm that the questionnaire encompassed all components of the conceptual framework. This aligns with Cooper and Schindler's (2011) recommendation for establishing face, content, construct, and concurrent validity in research. A pilot study was conducted involving 38 staff members from various state corporations, distinct from the primary service state corporations, which constituted 10% of the total sample size. As noted by Connelly (2008), this percentage is considered sufficient for a pilot study within a specific population. The results of the pilot study were excluded from the final analysis; however, they were instrumental in refining the

questionnaire regarding wording, phrasing, sentence structure, and alignment with research objectives.

3.7 Data Collection Procedure

The study employed primary data, which was collected using a questionnaire. The thoughts, motives, behaviors, achievements, and experiences of individuals are captured through questionnaires (Mellenbergh, 2008). Closed-ended questionnaires were used in the questionnaire. The questionnaire of the study captured the study's objectives, and the researcher will also ensure that the participants are not manipulated (Franker, 2006). The questionnaires are less expensive and take less time, which is why they are preferred in collecting the data (Franker, 2006). The questionnaires were subdivided into two parts: the first section focused on demographic details, and the second part covers the objectives that this study seeks. The questionnaire was designed in a Likert scale format, with questions ranging from 1 to 5 on a 5-point scale (Kiess & Bloomquist, 2008).

During the data collection process, three research assistants were trained on the purpose of the study and the ethical issues that should be observed. Questionnaires were given to the targeted respondents, which were circulated with the help of three research assistants. The drop and pick later approach were used, and in case a respondent delayed filling out the questionnaire, follow-up phone calls were made to remind them to fill it in. In a situation where a respondent requires clarification, the researcher provided the clarification to the respondent in order to ensure questionnaire are fulfilled and within the time.

3.8 Diagnostic Tests

Pre-analysis diagnostic tests were performed to examine heteroscedasticity, multicollinearity, and normality. This was done to confirm that the regression model fitted would adhere to the classical linear model assumptions, thereby ensuring that the results would not be biased.

3.8.1 Heteroscedasticity

Heteroscedasticity describes a situation where the variance of errors is not constant. This condition can arise from outliers in the dataset or the omission of important variables from the model. Consequently, this suggests that both large and small observations related to the studied phenomena are included in the sample. To test for heteroscedasticity, the Glesertest was utilized. The test indicates that if the p-value exceeds 0.05 ($p > 0.05$), it implies constant variance, leading to the acceptance of the null hypothesis. Thus, understanding this concept is crucial for accurate statistical analysis.

3.8.2 Multicollinearity

Multicollinearity describes a condition where independent variables in a study are highly correlated (Kumari, 2008). When multicollinearity is identified, it becomes necessary to eliminate at least one predictor variable to prevent complications in the model's regression due to potential forecasting errors. The Variance Inflation Factor (VIF) is utilized to detect multicollinearity. A VIF value of 1 indicates the absence of collinearity between two independent variables. As collinearity increases, so does the variance of an estimator. Generally, a VIF greater than 10 suggests high multicollinearity, whereas a VIF below 5 indicates no significant multicollinearity (Gujarati, 2003).

3.8.3 Normality Test

Normality assesses whether a data set follows a normal distribution and the probability that a random variable associated with it is also normally distributed. Various tests, including histograms and skewness distributions, are utilized to evaluate normality. In a normal distribution curve, skewness typically ranges between -2 and +2, while kurtosis for should range between -7 and +7 (Gujarati, 2003). For this study, the Kolmogorov-Smirnov normality test was employed. The guideline indicates that if the Asymp.Sig value exceeds 0.05, the data is considered normally distributed; conversely, if Asymp.Sig is below 0.05, the data is classified as not normally distributed.

3.9 Data Analysis and Presentation

The data collected for this study was analyzed utilizing the Statistical Package for Social Sciences (SPSS) Version 24 software. The analysis encompassed both descriptive and inferential methods. Descriptive analysis involved determining the frequency tables, percentages, means and standard deviations of the scores on the study variables in order to identify the fundamental trends in the data. Multiple regression was used to analyze the data collected from the population which helped the researcher to gain more knowledge on the relationship between several independent variables and dependent variable (Garson, 2014), thus being a good method of data analysis.

Regression results were generated using SPSS version which gave more detailed results. The main aim of regression analysis was to summarize survey data thus, allowing for ease establishment of the relationship that exists between the variables that are being studied. After regression, results were presented in form of frequency tables, and figures. The following regression equation was used for the purpose of analysis of this study.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = is the dependent variable sustainability of service state corporations

α = is the model intercept

$\beta_1 = 4$ is the coefficient of independent variables

X = is the independent variable

X₁ = strategic articulation,

X₂ = strategic intelligence,

X₃ = strategic direction,

X₄ = professionalism

ε = represents the error term in the model

3.10 Ethical Consideration

3.10.1 Informed Consent

The researcher obtained an authorization letter from KCA University and utilized a copy to acquire the research authority letter and permit from the National Commission for Science, Technology and Innovation (NACOSTI). The management service state corporation was consulted prior to administering any questionnaires to the respondents.

3.10.2 Voluntary Participation

To meet the study's objectives, participation was entirely voluntary, with no respondent being forced to take part; informed consent was obtained from all potential participants. The management of the state corporation was assured that the study aim was solely for academic purposes.

3.10.3 Confidentiality

The research handles all responses with the highest level of confidentiality. The investigator safeguarded the identity of each respondent by ensuring that private information remains protected, thereby maintaining confidentiality throughout the process. This approach emphasizes the importance of securing sensitive data in the study.

3.10.4 Privacy

The researcher did not disclose the names of participants in the study, nor did the study design or publication reveal them. Participants' privacy was safeguarded, ensuring that their identities remained unconnected to their contributions within the research. This approach upheld confidentiality throughout the study process.

3.10.5 Anonymity

To guarantee respondents' anonymity, their identities remained unknown to the researchers. The details of the respondents were not recorded in the questionnaire, ensuring that their privacy was maintained throughout the study while protecting their personal information and fostering trust in the research process.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter discusses the data analysis, interpretation, and presentation of the findings. The purpose of the study was to analyze the relationship between strategic leadership practices and the sustainability of service state corporations in Kenya. The findings aim to address the study's research questions. The collected data was organized, and reports were produced in the form of tables and figures for clearer comprehension.

4.2 Response Rate

The study examined 55 state service corporations and aimed to engage 384 participants from various departments, including finance, human resources, legal, operations, and public relations and communications. Ultimately, 261 completed questionnaires were received, yielding a response rate of 68%. This rate was deemed adequate for the study's analysis and findings, as it is consistent with Kothari's (2004) criteria. Kothari (2004) suggests that a response rate of 50% is satisfactory for reporting, 60% is good, and anything 70% or above is excellent and appropriate for research. Consequently, the acquired response rate of 68% reflects strong engagement from respondents and provides a reliable basis for the conclusions drawn from the research outcomes.

TABLE 4.1
Response Rate

	Frequency	Percentage
Filled questionnaires	261	68
Unfilled questionnaires	123	32
Total	384	100

4.2.1 Reliability Results

The research also evaluated the reliability of its instruments by employing alpha Cronbach test scores for the questionnaire items corresponding to each indicator. Results from the pilot study demonstrated that the strategic articulation constructs exhibited a high degree of reliability, with an alpha value of 0.788. Similarly, the measure for strategic intelligence was deemed reliable at $\alpha=0.704$.

The indicators related to strategic direction also showed acceptable reliability, achieving an alpha score of 0.714, while professionalism indicators were confirmed to be reliable with $\alpha=0.770$. Moreover, the reliability of sustainability of state service corporations was recorded at $\alpha=0.723$. These findings indicate that all four variables demonstrated reliability, as their respective values surpassed the established threshold of 0.7 (Nunnally, 1978). This assessment emphasizes that each component of the study's framework is dependable, ensuring that the data collected will yield robust and valid conclusions.

TABLE 4.2
Reliability Results

	Cronbach Value	Items
Strategic articulation	0.788	6
Strategic intelligence	0.704	6
Strategic direction	0.714	6
Professionalism	0.770	6
Sustainability	0.723	6
Average	0.739	6

4.3 Demographic Respondent Profile

The section provides an overview of the respondents' demographic characteristics, focusing on various aspects such as the gender of the respondents, duration of working in their respective organizations, academic qualification, and the position held by the respondents. These factors were examined to gain a comprehensive understanding of the respondents' profiles.

4.3.1 Gender of Respondents

The objective of the researcher was to explore the connection between the genders of the respondents. The results indicated that most respondents, comprising 53%, were male, whereas females represented 48%. This distribution highlights a notable distribution of gender balance within service state corporations. Achieving gender balance within these organizations is crucial for the sustainability of state enterprises.

Table 4.3
Gender of Respondents

	Frequency	Percent
Male	135	52
Female	126	48
Total	261	100

4.3.2 Length of Service

Determining the length of employment within a specific industry is of great significance when conducting a research survey. This information provides researchers with valuable insights into the level of expertise and experience possessed by the respondents. The findings of the survey revealed that a considerable portion of the respondents, specifically 52% (135), had been working in service State Corporation for a duration of more than 5 years. Furthermore, 38% (99) had experience spanning between 1-5 years while 10% (27) had been working in State Corporation for a period of less than 1 year. These results underscore the depth of experience present among respondents, particularly those who have worked for more than 5 years. This seasoned involvement suggests a profound understanding of sustainability dynamics and influence of strategic leadership within the industry.

TABLE 4.4
Length of Service

	Frequency	Percent
0 - 1 year	27	10
1 - 5 Years	99	38
More than 5 years	135	52
Total	261	100

4.3.4 Level of Education

The educational background of the respondents is critical in a study, it reflects the level of understanding of the employee on the concept related to their duties. This study aimed to assess the educational attainment of the respondents. The findings revealed that among the total respondents, 47% (122) were undergraduates, 22% (56), 17% (45) were having diploma as their highest academic qualification, 12% (31) were certificate holder while 3% (7) were PhD holder. These results indicate a predominance of undergraduate education among employee in management level, suggesting a potential area for improvement in qualifications to enhance service delivery. Furthermore, the findings highlight the necessity for continuous education and professional development within service sector in public sector. Consequently, investing in educational development could lead to improved service delivery and overall sustainability of state corporations.

TABLE 4.5
Level of Education

	Frequency	Percent
Certificate	31	12
Diploma	45	17
Undergraduate degree	122	47
Master	56	22
Doctorate	7	3
Total	261	100

4.3.4 Position held by the Respondents

Identifying the position held by respondents helps in understanding the perspective from which the respondents are providing their answers, enabling researchers to interpret the data more accurately. The data obtained indicates that 29% (29) of the respondents held the position of operation and finance managers as shown in each case. 14% were legal

officers, HR managers, and public relations and communication department officers as shown in each case. By delineating the specific positions and roles of the respondents, the study provides valuable insights into the key decision-makers within these organizations. Understanding the distribution of roles offers a deeper understanding of how strategic leadership practices influence the sustainability of state corporations in Kenya.

TABLE 4.6
Position held by the Respondents

	Frequency	Percentage
Finance Manager	75	29
Legal officer	37	14
Operation Manager	75	29
HR	37	14
PR & communication	37	14
Total	261	100

4.4 Descriptive Statistics

The study variables were examined in this section through an analysis of descriptive statistics, focusing on the mean and standard deviation. The mean was calculated by summing up the scores of each parameter or question and then dividing by the total number of respondents for that specific parameter. For this research, a Likert scale ranging from 1 to 5 was utilized, where a mean falling between 1.00 and 1.80 was classified as strongly disagree, 1.81 to 2.60 as disagree, 2.61 to 3.40 as not sure, 3.41 to 4.20 as agree, and 4.21 to 5.00 as strongly agree. In addition, a standard deviation value exceeding 0.5 indicated homogeneity among the respondents, signifying a consistent understanding of the concept and similar responses provided. Conversely, a standard deviation below 0.5 pointed towards heterogeneity, suggesting a diverse range of

outcomes within the sample. Essentially, when the data exhibits homogeneity, it implies that the respondents shared a comparable level of understanding regarding the subject matter and offered uniform responses.

4.4.1 Strategic Articulation and Financial Sustainability

The research sought to determine the extent to which strategic articulation influence financial sustainability of service state corporations in Kenya. The outcomes of the study show that respondents strongly agreed that staff in service state corporations are well-trained and equipped to support firm sustainability efforts as shown by a mean score of 4.46. Furthermore, participants strongly agreed that organizations' goals and objectives are specific, measurable, achievable, relevant, and time-bound as indicated by mean score of 4.37. Additionally, respondents strongly agreed that organization's success is measured by a clear set of financial and non-financial indicators, organization's strategic goals and plans are effectively communicated to all stakeholders and that staff participation and feedback are valued in the organization's sustainability decision-making process as shown by mean score of 4.29, 4.25 and 4.22 respectively. Respondents agreed that organization's communication strategy is designed to engage stakeholders and promote sustainability as indicated by mean score of 4.12.

The overall average mean score of 4.28, with a standard deviation of 0.739, indicates a strong consensus among the respondents. This suggests that the respondents generally believed that the constructs used for strategic articulation greatly influence sustainability of service state corporations. The mean scores obtained in the study ranged from 4.12 to 4.46, indicating a strong relationship between the variables examined. This implies that the sustainability of service state corporations is associated with strategic articulation.

Furthermore, the standard deviation values ranged from 0.515 to 0.975, with an average standard deviation of 0.739. This consistency in the responses suggests a high degree of homogeneity among participants concerning the influence of strategic articulation on sustainability. The findings of this study highlights the critical importance of strategic articulation, particularly aspects such as result definition, strategic communication, and staff engagement in promoting the sustainability of service state corporations.

TABLE 4.7
Strategic Articulation and Financial Sustainability

	Mean	STDev
The organization's goals and objectives are specific, measurable, achievable, relevant, and time-bound	4.37	0.515
The organization's success is measured by a clear set of financial and non-financial indicators	4.29	0.812
The organization's strategic goals and plans are effectively communicated to all stakeholders	4.25	0.663
The organization's communication strategy is designed to engage stakeholders and promote sustainability	4.12	0.855
Staff participation and feedback are valued in the organization's sustainability decision-making process	4.22	0.975
Staff in our organization are well-trained and equipped to support firm sustainability efforts	4.46	0.617
Average	4.28	0.739

4.4.2 Strategic Intelligence and Financial Sustainability

The study also aimed to investigate the effect of strategic intelligence on the financial sustainability of service state corporations. Most of the respondents strongly agreed that organization's internal processes and systems are regularly assessed and optimized for sustainability attaining a mean score of 4.49. This indicates a strong commitment to continual improvement in sustainability practices. Additionally, respondents strongly agreed that organization's external environment is regularly monitored and analyzed to

identify opportunities and threats as shown by a mean score of 4.43. This suggests that there is a proactive stance in recognizing and responding to external challenges and opportunities. Likewise, respondent strongly agreed that organization stay informed about industry trends, competitor activities, and market changes to stay ahead of the curve as illustrated by mean score of 4.38. This reflects an understanding of the importance of being aware of the competitive landscape for effective strategic planning.

Further, respondents strongly agreed that the organization's internal strengths and weaknesses are well understood and integrated into strategic decision-making as shown by mean score of 4.28. This highlights the significance placed on internal assessments to inform strategic choices. In addition, respondent strongly agreed that organization's planning processes are flexible and adaptable to respond to changing circumstances and priorities and that the organization's long-term vision and strategy are aligned with its short-term goals and priorities as depicted by a mean score of 4.27 in each case. This shows that adaptability is valued in the planning process and that organizations recognize the need for coherence between long-term objectives and immediate actions to pursue sustainability effectively.

The average mean score of 4.35, with a standard deviation of 0.702 illustrates a strong consensus among respondents that strategic intelligence plays a crucial role in the sustainability of service state corporations. The study mean scores varied from 4.29 to 4.49, indicating a robust correlation between the construct used in measuring influence of strategic intelligence on sustainability of service state corporations. Moreover, the standard deviation values ranged from 0.586 to 0.760, with an average of 0.702, suggesting that the collected data is relatively consistent and reflecting homogeneity

(uniformity) in responses from the participants. These results highlighting the crucial role of strategic intelligence on sustainability of service state corporations.

TABLE 4.8
Strategic Intelligence and Financial Sustainability

	Mean	STDev
The organization's internal strengths and weaknesses are well understood and integrated into strategic decision-making	4.28	0.760
The organization's internal processes and systems are regularly assessed and optimized for sustainability	4.49	0.586
The organization's external environment is regularly monitored and analyzed to identify opportunities and threats	4.43	0.638
The organization stays informed about industry trends, competitor activities, and market changes to stay ahead of the curve	4.38	0.732
The organization's planning processes are flexible and adaptable to respond to changing circumstances and priorities	4.27	0.760
The organization's long-term vision and strategy are aligned with its short-term goals and priorities	4.27	0.737
Average	4.35	0.702

4.4.3 Strategic Direction and Financial Sustainability

The study aimed to establish the influence of strategic direction on the sustainability of service state corporations. The majority of participants strongly agreed that organization's strategy is regularly reviewed and evaluated to ensure progress towards its goals and adaptability to changing circumstances as shown by a mean score of 4.37. This indicates a strong commitment to continuous assessment and improvement in strategic initiatives. Respondents also strongly agreed that organization strategies are implemented consistently across all levels of the organization to achieve its goals as indicated by a mean score of 4.34. This emphasizes the importance of cohesive execution of strategy

within the organization. Additionally, respondents strongly agreed that organization's vision being regularly reviewed and updated to ensure relevance and alignment with its goals" received strong support, with a mean score of 4.32. This suggests that the organization values an evolving vision that resonates with its strategic objectives.

Likewise, respondents strongly agreed that organization objectives are regularly reviewed and updated to ensure alignment with its vision and goals as indicated by a mean score of 4.31. This demonstrates a proactive approach to ensuring that objectives remain relevant and focused. Furthermore, respondent agreed that organization visions are widely communicated and understood throughout the organization, driving employee engagement and motivation as illustrated by men score of 4.31. This shows the significance of effective communication in fostering a motivated workforce. Lastly, respondents agreed that organization objectives are prioritized and resources are allocated accordingly to achieve them which garnered a mean score of 4.24. This reflects a strategic approach to resource management ensuring that key objectives are met.

The study revealed an average mean score of 4.32, with a standard deviation of 0.763, showcasing a high level of agreement among the participants on the influence of influence of strategic direction on the sustainability of service state corporations. The mean scores obtained varied between 4.24 and 4.37, indicating a strong correlation between the constructs used to measure strategic direction in the study. Furthermore, the standard deviation values ranged from 0.675 to 0.820, with an average of 0.763. This suggests that the data collected is relatively consistent, indicating a level of homogeneity in the responses provided by participants. These results underline the essential role of strategic direction in enhancing the sustainability of service state corporations.

TABLE 4.9**Strategic Direction and Financial Sustainability**

	Mean	STDev
The organization's vision is regularly reviewed	4.32	0.772
The organization's vision is widely communicated	4.31	0.740
The organization's objectives are prioritized and resources are allocated accordingly to achieve them	4.24	0.792
The organization's objectives are regularly reviewed	4.31	0.779
The organization's strategy is implemented consistently across all levels of the organization to achieve its goals	4.34	0.675
The organization's strategy is regularly reviewed and evaluated to ensure progress towards its goals and adaptability to changing circumstances	4.37	0.820
Average	4.32	0.763

4.4.4 Professionalism and Organizational Sustainability

The research sought to determine the influence of professionalism on the financial sustainability of service state corporations. Most of the respondents strongly agreed that transparency enables organizations to build trust with stakeholders which achieved a mean score of 4.43. This underscores the fundamental role that transparency plays in fostering trust within organizational relationships. Respondent also strongly agreed that leaders in service state corporations prioritize ethics as a core component leading to a positive reputation and increased brand value of the organization as indicated by mean score of 4.39, indicating robust support for ethical leadership in enhancing organizational reputation. Likewise, respondents strongly agreed that by prioritizing transparency, leaders in service state corporations ensure that stakeholders are informed about the organization's goals, values, and performance as indicated by a mean score of 4.38. This

reflects the importance of effective communication in maintaining stakeholder awareness and engagement.

Moreover, respondent agreed that in service state corporations, ethical practices are encouraged, which help in building strong relationships with the community and maintaining public trust as illustrated by a mean score of 4.36. This illustrates a clear commitment to fostering ethical practices that strengthen community ties. Respondent also agreed that accountability helps in ensuring that resources are allocated effectively and efficiently as indicated by a mean score of 4.25. This indicates that accountability is recognized as a crucial aspect of resource management within the organization. Finally, respondent agreed that leadership in the organization holds staff leaders accountable for their decisions and actions, thereby helping to maintain public confidence received a mean score of 4.20. This shows that accountability is vital for sustaining public trust.

The overall average mean score of 4.34, with a standard deviation of 0.740, indicates a strong consensus among the respondents. This suggests that the respondents generally believed that the constructs used for professionalism greatly influence financial sustainability of service state corporations. The mean scores obtained in the study ranged from 4.20 to 4.43, indicating a strong relationship between the variables examined. This implies that the sustainability of service state corporations is associated with professionalism. Furthermore, the standard deviation values ranged from 0.638 to 0.816, with an average standard deviation of 0.740. This consistency in the responses suggests a high degree of homogeneity among participants concerning the influence of professionalism on sustainability. The findings of this study highlights the critical

importance of professionalism, particularly aspects such as transparency, ethics, and accountability, in promoting the sustainability of service state corporations.

TABLE 4.10

Professionalism and Financial Sustainability

	Mean	STDev
Transparency enables organizations to build trust with stakeholders	4.43	0.638
By prioritizing transparency, leaders in our organizations ensure that stakeholders are informed about the organization's goals, values, and performance	4.38	0.793
Leaders in our organization prioritize ethics as a core component leading to a positive reputation and increased brand value of the organization	4.39	0.707
In our organization ethical practices is encouraged which help in building strong relationships with the community, maintain public trust	4.36	0.750
Accountability help in ensuring that resources are allocated effectively and efficiently	4.25	0.816
Leadership in our organization holds staff leaders accountable for their decisions and actions, thereby helping to maintain public confidence.	4.20	0.737
Average	4.34	0.740

4.4.5 Financial Sustainability of Service State Corporations

The study aimed to establish the extent to which strategic leadership practices affects sustainability of service state corporations in Kenya. Majority of the respondents strongly agreed that financial transparency fosters trust among stakeholders, encouraging more investment and participation, which enhances long-term sustainability as shown by a mean score of 4.44. This indicates trust developed through financial transparency attract more investment thus enhancing financial transparency. Respondent strongly agreed that clear financial reporting enables organizations to identify inefficiencies and allocate resources more effectively, promoting overall fiscal health as illustrated by a mean score

of 4.43, reflecting a strong consensus on financial reporting promote healthy financial status of the state service corporation. Moreover, respondents strongly agreed that revenue diversification enhances financial sustainability by reducing dependency on a single income source as evidenced by a mean score of 4.42. This suggests having various source of funding for service state corporation help organization to deal with financial challenges that they may encounter. Additionally, with a mean score of 4.30 was obtained illustrating that respondents agreed that revenue diversification allows for more stable budgeting and planning, promoting long-term organizational resilience.

Likewise, respondents agreed that organizations cash flow is sufficient to support its ongoing operations as depicted by a mean score of 4.19, suggesting agreement that financial stability is maintained for operational sustainability. Lastly, respondents agreed that their organizations effectively manage their financial resources to ensure long-term stability as reflected by a mean score of 4.16. While this indicates general agreement, it is the lowest mean score among the statements analyzed, suggesting some areas for improvement in financial management practices.

The results obtained from the participants demonstrate a consensus on the influence of strategic leadership practices affects sustainability of service state corporations in Kenya. This consensus is substantiated by the mean score of 4.32 and a standard deviation of 0.773. The mean score falls within a narrow range of 4.16 to 4.44, indicating a strong correlation between the variables used to assess sustainability of service state corporations. Furthermore, the standard deviation ranges from 0.640 to 0.890 averaging 0.773, surpassing the threshold of 0.5, which indicates the uniformity of the data collected in the study. This indicates a relatively consistent response among participants,

showcasing a level of homogeneity in perceptions regarding the influence of strategic leadership practices on sustainability.

TABLE 4.11

Financial Sustainability of Service State Corporations

	Mean	STDev
Our organization effectively manages its financial resources to ensure long-term stability	4.16	0.833
The organization's cash flow is sufficient to support its ongoing operations	4.19	0.890
Revenue diversification enhances financial sustainability by reducing dependency on a single income source	4.42	0.672
Revenue diversification allows for more stable budgeting and planning, promoting long-term organizational resilience	4.30	0.819
Financial transparency fosters trust among stakeholders, encouraging more investment and participation, which enhances long-term sustainability	4.44	0.640
Clear financial reporting enables organizations to identify inefficiencies and allocate resources more effectively, promoting overall fiscal health	4.43	0.785
Average	4.32	0.773

4.5 Diagnostic Test

4.5.1 Normality Tests

Typical tests for assessing normality include the Shapiro–Wilk test, skewness and kurtosis, and the Kolmogorov–Smirnov test. The Shapiro–Wilk test is particularly useful for sample sizes below 50. In contrast, both skewness and kurtosis, along with the Kolmogorov–Smirnov test, are more suitable when sampling involves more than 50

participants. Given that the current study's sample size exceeded 50, the analysis employed the skewness and kurtosis test for testing normality. In the statistics, the rule is that for a large sample of more than 50, absolute skewness value range of between -2 and +2 is considered to have met the normality while a Kurtosis value range of -7 and +7 is considered to have normality. From the data obtained it is clear the data was normally distributed since the skewness value of all the variables falls between -2 and +2. That is, the skewness value for strategic articulation (-1.290), strategic intelligence (-0.978), strategic direction (-1.788), professionalism (-0.905) and sustainability (-1.440). On the other hand, the kurtosis value for all the variable fall between -7 and +7. The kurtosis values were as follows, strategic articulation (1.245), strategic intelligence (1.045), strategic direction (3.845), professionalism (1.009) and sustainability (1.750). From the study findings, the value of each variable was obtained as shown in the table below. Based on the output obtained, we can conclude that the data is normally distributed in this study.

TABLE 4.12
Normality Tests

	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Strategic articulation	261	-1.290	.151	1.245	.300
Strategic Intelligence	261	-0.978	.151	1.045	.300
Strategic Direction	261	-1.788	.151	3.845	.300
Professionalism	261	-0.905	.151	1.009	.300
Sustainability	261	-1.440	.151	1.750	.300
Valid N (listwise)	261				

4.5.2 Multicollinearity

The research employed variance inflation factor (VIF) assessments to determine the presence or absence of multicollinearity among the strategic leadership practices. The results indicated that no multicollinearity exists among these practices, as all VIF values remained below 3. Given the lack of observed multicollinearity among the study variables, it implies that these variables should be considered constant relative to one another; therefore, modifications to the regression equation, such as adding or removing a variable, would not affect the coefficient values of other variables. Consequently, the study will proceed with a correlation analysis to examine the degree of collinearity between the variables. This decision aligns with Franke's (2010) assertion that VIF values ranging from 1 to 10 suggest the absence of multicollinearity.

TABLE 4.13
Multicollinearity

	Tolerance	VIF
Strategic articulation	.869	1.151
Strategic Intelligence	.860	1.162
Strategic Direction	.935	1.069
Professionalism	.926	1.080

4.5.3 Heteroscedasticity

Heteroscedasticity pertains to the situation in regression analysis where the variances of disturbances are not uniform across different observations (Greene, 2008). The research employed the Glejser test (1969) by analyzing the regression residuals of the independent variable. The assumption states that if the significance value exceeds 0.05, it indicates an absence of heteroscedasticity issues. The results concerning heteroscedasticity testing are

displayed in Table 4.14. According to the output coefficients, the significance values obtained for strategic articulation, strategic intelligence and strategic direction are greater than 0.05, confirming that heteroscedasticity was not an issue. However, professionalism registered significance value less than 0.05 confirming that there existed heteroscedasticity.

TABLE 4.14
Heteroscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
1 (Constant)	1.995	.399		5.003	.000		
Strategic articulation	.030	.058	.032	.511	.610	.869	1.151
Strategic Intelligence	-.027	.073	-.023	-.364	.716	.860	1.162
Strategic Direction	.070	.058	.073	1.203	.230	.935	1.069
Professionalism	.394	.072	.331	5.461	.000	.926	1.080

a. Dependent Variable: sustainability

4.6 Inferential Statistics

Inferential analysis was employed to examine the relationship and regression regarding the impact of strategic leadership practices on the sustainability of service state corporations in Kenya. The interpretations of correlation and regression results are guided by p-values and the values of the regression or correlation coefficients. As noted by Kennedy (2018), a correlation coefficient below 0.40 suggests a weak relationship among independent variables, coefficients between 0.4 and 0.6 imply a moderate relationship, while coefficients above 0.6 indicate a strong relationship.

4.5.1 Coefficient of Correlation

The research employed Karl Pearson's correlation coefficient (r) to illustrate the connections among the study variables and their outcomes. As detailed in Table 4, the findings revealed a moderate positive correlation of 0.572 between strategic articulation and the sustainability of service state corporations. Furthermore, the study found a strong positive correlation of 0.677 between strategic intelligence and the sustainability of these corporations. In contrast, a weak positive relationship was observed between strategic direction and sustainability, indicated by a correlation coefficient of 0.156. Additionally, a positive correlation of 0.503 was identified between professionalism and the sustainability of service state corporations. These results demonstrate that strategic articulation, strategic intelligence, strategic direction, and professionalism are positively correlated with the sustainability of service state corporations in Kenya.

TABLE 4.15
Coefficient of Correlation

		Financial sustainability	Strategic Articulation	Strategic Intelligence	Strategic Direction	Professionalism
Financial sustainability	Pearson correlation Sig. (2-tailed)	1				
Strategic articulation	Pearson Correlation Sig. (2-tailed)	0.572 0.035	1			
Strategic intelligence	Pearson Correlation Sig. (2-tailed)	0.677 0.026	0.359 0.000	1		
Strategic direction	Pearson Correlation Sig. (2-tailed)	0.156 0.011	0.046 0.459	0.013 0.836	1	
Professionalism	Pearson Correlation Sig. (2-tailed)	0.348 0.000	0.024 0.697	0.110 0.076	0.249 0.000	1

4.5.2 Coefficient of Determination

The effectiveness of the statistical model employed to predict future outcomes was evaluated to demonstrate the extent to which the four independent variables, that is, strategic articulation, strategic intelligence, strategic direction, and professionalism affect the dependent variable, which is the sustainability of service state corporations. Among the four independent variables analyzed, they account for 55.1% of the sustainability of service state corporations in Kenya. This indicates that additional factors, not included in this study, account for the remaining 44.9% of the sustainability of these corporations. Therefore, while the independent variables have a substantial impact, there are other influences that also play a significant role in determining the overall sustainability of service state corporations in the country. Future research could benefit from exploring these additional factors to gain a more comprehensive understanding of their contributions.

TABLE 4.16
Model Summary

Model	r	r²	Adjusted r²	Std. Error of the Estimate
1	0.742	0.551	0.641	0.0438

4.5.3 Analysis of Variance (ANOVA)

An ANOVA analysis was performed to assess the model's effectiveness in clarifying the relationship between the dependent and independent variables examined in the study. The results displayed in the table reveal a p-value of less than 0.05 (0.000), which offers strong evidence affirming the model's relevance in demonstrating how strategic leadership practices impact the sustainability of service state corporations in Kenya.

Furthermore, the calculated F-value of 9.322 exceeds the mean square value of 0.679, indicating that the model is statistically significant in predicting the effects of strategic leadership practices on the sustainability of these corporations. This together implies that the model plays an important role in understanding the dynamics between leadership strategies and organizational sustainability within the context of Kenyan service state corporations, validating the strategic approaches employed in leadership practices within this sector.

TABLE 4.17
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.715	4	.679	9.322	0.000
	Residual	18.642	256	.073		
Total		21.358	260			

4.5.4 Multiple Regression

The researcher conducted a multiple regression analysis to identify the factors that influence of strategic leadership practices and the sustainability of service state corporations in Kenya. The main objective of multiple regression is to understand the connection between different independent or predictor variables and a dependent or outcome variable. The study utilized SPSS to input and organize data collected from the participants, allowing for calculations that illustrate the impact of a one-unit change in an independent variable on the dependent variable.

The research demonstrated that when all factors such as strategic articulation, strategic intelligence, strategic direction and professionalism are held constant at zero, the

sustainability of service state corporations would measure at 1.279. The results indicate that, with other variables set at zero, an increase of one unit in strategic articulation results in a 0.531 increase in the sustainability of service state corporations. A one-unit increase in strategic intelligence corresponds to a 0.525 increase in sustainability of service state corporations, and a unit increase in strategic direction leads to a 0.613 increase in the sustainability of service state corporations; and an increase of one unit in professionalism would result in a 0.510 rise in the sustainability of service state corporations, as illustrated in Table 4.18. This suggests that strategic intelligence plays a vital role in the financial sustainability of service State Corporation, followed by strategic articulation, strategic direction and professionalism in that order.

According to the SPSS-generated Table 4.18, the equation

$$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon) \text{ becomes:}$$

$$Y = 1.279 + 0.531 X_1 + 0.525 X_2 + 0.613 X_3 + 0.510 X_4$$

TABLE 4.18
Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
Constant/Y Intercept	1.279	1.316		1.451	0.3570
Strategic articulation	0.531	0.310	0.172	4.242	0.0276
Strategic intelligence	0.613	0.322	0.067	3.452	0.0202
Strategic direction	0.525	0.156	0.210	3.382	0.0285
Professionalism	0.510	0.245	0.148	3.358	0.0249

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The section provides detailed summary of the study results, conclusion as well as the recommendations that were drawn thereafter on the study topic. This has been done in line with the objectives of the study. Therefore, the chapter is structured into summary of the findings, conclusion, recommendation drawn thereafter as well as suggestions for further study.

5.2 Summary of Findings

5.2.1 Strategic Articulation and Financial Sustainability

The study established a clear link between strategic articulation and the financial sustainability of service state corporations in Kenya. The findings reveal that employees within these organizations are well-trained, which is essential for supporting sustainability initiatives. It was found that the goals and objectives of these corporations are defined in a manner that is specific and attainable, a practice that enhances their potential for success. Additionally, the study illustrated that the assessment of organizational success is based on both financial and non-financial indicators, emphasizing a balanced approach to measurement. Effective communication of strategic plans to stakeholders and the valuing of staff participation in decision-making processes contribute significantly to sustainability efforts. The overall data indicates a strong consensus on the importance of strategic articulation, particularly in defining results,

communicating effectively, and engaging employees, all of which are crucial for fostering sustainable practices in these state corporations.

5.2.2 Strategic Intelligence and Financial Sustainability

The study established a significant relationship between strategic intelligence and the financial sustainability of service state corporations. It revealed a strong commitment to continuous improvement through regular assessment and optimization of internal processes. Additionally, the findings illustrated a proactive approach in monitoring the external environment to identify potential opportunities and threats, demonstrating an awareness of the competitive landscape that is essential for effective strategic planning. The organization's understanding of its internal strengths and weaknesses plays a crucial role in strategic decision-making, ensuring informed choices. The study found that adaptability is highly valued in planning processes, with a clear alignment between long-term visions and short-term goals, which is necessary for pursuing sustainability. The findings show a consensus on the importance of strategic intelligence in fostering sustainability, suggesting that effective management of both internal and external factors is critical for the success of service state corporations.

5.2.3 Strategic Direction and Financial Sustainability

The study established that strategic direction significantly influences the financial sustainability of service state corporations. Key findings revealed a strong commitment to the regular review and evaluation of organizational strategies, emphasizing the importance of adaptability to evolving circumstances. The consistency of strategy implementation across all organizational levels illustrated the necessity of cohesive execution in achieving overall goals. Additionally, the organization's dedication to

evolving its vision ensures it remains aligned with strategic objectives. This proactive approach is further supported by the regular updating of objectives to maintain relevance and focus. Effective communication of these visions across the organization plays a crucial role in driving employee engagement and motivation. Furthermore, the prioritization of objectives, coupled with strategic resource allocation, reflects a deliberate effort to meet key goals. The findings highlight the essential role that strategic direction plays in fostering the sustainability of service state corporations.

5.2.4 Professionalism and Financial Sustainability

The study established a clear link between professionalism and the financial sustainability of service state corporations. Findings revealed that transparency is essential for fostering trust with stakeholders, affirming its fundamental role within organizational dynamics. It was found that leaders prioritize ethics as a key component of their leadership, contributing positively to the organization's reputation and enhancing brand value. The study illustrated that effective communication keeps stakeholders informed about the organization's goals and performance, reinforcing the significance of transparency. Moreover, ethical practices are promoted to strengthen community relationships and maintain public trust, underscoring the commitment to corporate responsibility. Accountability, recognized as crucial for effective resource management, helps ensure that resources are allocated efficiently while maintaining public confidence. These findings show that professionalism, particularly through transparency, ethical leadership, and accountability, plays a vital role in advancing the sustainability of service state corporations.

5.2.5 Financial Sustainability of Service State Corporations

The study established a strong connection between strategic leadership practices and the financial sustainability of service state corporations in Kenya. A significant consensus among respondents highlighted that financial transparency plays a crucial role in building trust among stakeholders, thus attracting more investment and enhancing long-term sustainability. Moreover, clear financial reporting was recognized as essential for identifying inefficiencies and effectively allocating resources, thereby supporting overall fiscal health. Revenue diversification emerged as a key strategy for reducing dependency on a singular income source, which contributes to financial sustainability and allows for more stable budgeting and planning. Participants also acknowledged that sufficient cash flow is vital for ongoing operations, underlining the importance of financial stability for operational resilience. While there was broad agreement on the effective management of financial resources, the lowest mean score indicated potential areas for improvement in these practices.

5.3 Conclusions

5.3.1 Strategic Articulation and Financial Sustainability

The study concludes that strategic articulation plays a pivotal role in enhancing the financial sustainability of service state corporations in Kenya. The findings underscore the strong agreement among respondents regarding the adequacy of training and resources provided to staff, reinforcing their capability to support sustainability initiatives effectively. Furthermore, the clarity and specificity of organizational goals, coupled with the recognized importance of both financial and non-financial success indicators, are seen as vital contributors to these corporations' enduring success. The consistent feedback

from respondents regarding the communication of strategic goals and the valuing of staff participation emphasizes a collaborative environment essential for making informed sustainability decisions. The study concludes that a robust approach to strategic articulation, which includes clear goal setting, effective communication, and active staff engagement, is crucial in fostering a sustainable future for service state corporations, highlighting its significant impact on their operational effectiveness.

5.3.2 Strategic Intelligence and Financial Sustainability

The study concludes that strategic intelligence significantly impacts the financial sustainability of service state corporations. Respondents consistently indicated a strong commitment to optimizing internal processes and regularly analyzing the external environment, which underscores a proactive approach to sustainability. This proactive stance is further evidenced by their awareness of industry trends and competitor activities, signaling an understanding of the competitive landscape and its influence on effective strategic planning. Additionally, the study concludes that a solid grasp of internal strengths and weaknesses aids in informed decision-making and highlights the essential role of flexibility in organizational planning. Adaptability, as demonstrated through coherent integration of long-term and short-term goals, proved essential in responding to evolving circumstances. The study makes conclusion that strategic intelligence is vital for maintaining sustainability in service state corporations and ensuring their ongoing success in a dynamic environment.

5.3.3 Strategic Direction and Financial Sustainability

The study concludes that strategic direction plays a pivotal role in the financial sustainability of service state corporations, as evidenced by the overwhelming consensus

among participants regarding the importance of regularly reviewing and adapting organizational strategies. Strong agreement on the consistent implementation of these strategies signifies the necessity for cohesive efforts throughout all levels of the organization. Furthermore, the study concludes that the ongoing evaluation and update of the organization's vision and objectives ensure their alignment with strategic goals, demonstrating a forward-thinking approach to organizational management. The findings highlight the essential nature of effective communication in fostering engagement and motivation among employees, reinforcing the notion that shared understanding of strategic direction is crucial. By prioritizing objectives and responsibly allocating resources, the organizations can enhance their operational effectiveness. The study concludes that a robust strategic direction not only sustains service state corporations but also strengthens their capacity to adapt and thrive in an ever-evolving landscape.

5.3.4 Professionalism and Financial Sustainability

The study concludes that professionalism is a pivotal element influencing the financial sustainability of service state corporations. With respondents overwhelmingly emphasizing the importance of transparency, it is clear that trust-building with stakeholders is fundamental to effective organizational relationships. Ethical leadership emerged as a cornerstone in enhancing an organization's reputation and brand value, reflecting the collective belief that ethical practices are integral to successful operations. Furthermore, the study concludes that effective communication, facilitated by transparency, plays a crucial role in keeping stakeholders informed about organizational objectives and performance. The commitment to accountability within these corporations also underscores the necessity for resource management and public trust. By holding

leaders accountable for their actions, service state corporations can ensure sustained public confidence. The study concludes that a strong commitment to professionalism anchored in transparency, ethics, and accountability significantly contributes to the sustainable success of these organizations, fostering ongoing relationships with both stakeholders and the broader community.

5.3.5 Financial Sustainability of Service State Corporations

The findings of the study underscore the critical role of strategic leadership practices in enhancing the financial sustainability of service state corporations in Kenya. Financial transparency emerged as a pivotal factor in fostering stakeholder trust, essential for attracting investment and ensuring long-term viability. The significance of clear financial reporting was highlighted, as it enables organizations to optimize resource allocation and tackle inefficiencies, ultimately bolstering fiscal health. Furthermore, the emphasis on revenue diversification points to a proactive approach in minimizing reliance on a single income stream, thereby contributing to a more resilient financial framework. The study emphasizes the necessity of maintaining sufficient cash flow to support ongoing operations, solidifying the connection between financial stability and operational success.

5.4 Recommendations

5.4.1 Practical Recommendation

To enhance the sustainability of service state corporations in Kenya, it is essential to prioritize the implementation of effective strategic leadership practices. Organizations should cultivate an environment that emphasizes strategic articulation, ensuring that every member of the corporation understands the organization's mission and vision. This

can be achieved through regular training and workshops that focus on aligning individual performance with corporate objectives. Moreover, fostering a culture of strategic intelligence is paramount; leaders should encourage data-driven decision-making and facilitate ongoing analyses of market trends and emerging challenges. By providing continual professional development opportunities, organizations can cultivate professionalism among employees, enhancing their capacity to meet strategic goals. Finally, strategic direction must be clearly communicated and adjusted as necessary to respond to evolving circumstances. These measures will strengthen the foundation for sustainable practices across service state corporations, ultimately leading to improved performance and accountability.

5.4.2 Policy Recommendations

To support the implementation of strategic leadership practices in service state corporations, robust policy frameworks should be established at both organizational and governmental levels. Policymakers are encouraged to develop guidelines that delineate best practices for strategic articulation and leadership accountability. This includes instituting regular assessments of strategic alignment with sustainability goals and mandating public reporting on progress in these areas. Additionally, a framework for fostering strategic intelligence should be integrated into national policies, promoting collaboration between corporations and educational institutions for data sharing and research initiatives. Furthermore, the establishment of incentive programs for corporations that successfully implement innovative strategic initiatives can foster a competitive environment focused on sustainability. By integrating these elements into policy, the Kenyan government can provide a supportive landscape that underpins the

effective application of strategic leadership practices within Service State Corporations, thereby enhancing their sustainability.

5.5 Areas for Further Studies

Future research should explore the specific impact of strategic leadership practices on the performance metrics of service state corporations in Kenya, analyzing how these practices influence financial stability, employee satisfaction, and customer perceptions. Additionally, further studies could investigate the role of technology in enhancing strategic intelligence and decision-making within these organizations, especially in an increasingly digital world. Examining the effects of gender diversity in leadership roles on the strategic direction and sustainability outcomes of service state corporations may also yield valuable insights into the interplay between diversity and effective leadership. Lastly, longitudinal studies that track the long-term effects of implemented strategic initiatives across different corporations could provide a clearer understanding of best practices for sustainability in the public sector context. Exploring these areas will help enrich the discourse around strategic leadership and sustainability in Kenya and beyond

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APPENDICES

Appendix I: Introduction Letter

Dear Participants,

Eunice,

REG: 23/00392

Dear Respondent,

RE: Introductory Letter for Research Instruments

I am a student at KCA university Main Campus. As a partial fulfilment of the requirement for the award of the degree of Master of Business Administration (Corporate Management), am supposed to conduct a research study. My dissertation title is *“strategic leadership practices and Financial sustainability of service state corporations in Kenya”*

In regard to this, I request for assistance and cooperation by responding to questionnaire administered to you. Your honest responses will be critical in ensuring fairness of the research findings. Be assured that information provided will be treated with utmost confidentiality and will solely be used for academic research purposes as well as enhancing knowledge in the area of study.

Thank you.

Yours Faithfully,

Eunice Tuguro Makabara

Appendix II: Questionnaire

Section A: Demographic Data

Instruction: Kindly indicate with a tick the appropriate option.

1. Indicate your gender

Male [] Female []

2. How long have you worked in this organization?

0 - 1 year []

1 - 5 Years []

More than 5 years []

3. Highest academic level attained?

Doctorate [] Master []

Undergraduate degree and above [] Diploma []

Certificate []

Other (specify).....

5. How long have you been working in state corporations?

Less than 10 years [] 11 – 20 years []

21 – 30 years [] 31 – 40 years []

Over 40 years []

Section B: Strategic Leadership Practices

5. Kindly indicate your level of agreement with the following statement relating to strategic leadership practices dimension on financial sustainability of service state corporations. Please use the scale given below to indicate the extent you agree or disagree with the statements. Please tick (√) your preferred answer. **Key: 1=Strongly Disagree 2=Disagree 3=Not sure 4=Agree 5=Strongly Agree**

Strategic articulation	1	2	3	4	5
The organization's goals and objectives are specific, measurable, achievable, relevant, and time-bound					

The organization's success is measured by a clear set of financial and non-financial indicators					
The organization's strategic goals and plans are effectively communicated to all stakeholders					
The organization's communication strategy is designed to engage stakeholders and promote sustainability					
Staff participation and feedback are valued in the organization's sustainability decision-making process					
Staff in our organization are well-trained and equipped to support firm sustainability efforts					
Strategic Intelligence	1	2	3	4	5
The organization's internal strengths and weaknesses are well understood and integrated into strategic decision-making					
The organization's internal processes and systems are regularly assessed and optimized for sustainability					
The organization's external environment is regularly monitored and analyzed to identify opportunities and threats					
The organization stays informed about industry trends, competitor activities, and market changes to stay ahead of the curve					
The organization's planning processes are flexible and adaptable to respond to changing circumstances and priorities					
The organization's long-term vision and strategy are aligned with its short-term goals and priorities					
Strategic Direction	1	2	3	4	5
The organization's vision is regularly reviewed and updated to ensure relevance and alignment with its goals					
The organization's vision is widely communicated and understood throughout the organization, driving employee engagement and motivation					

The organization's objectives are prioritized and resources are allocated accordingly to achieve them					
The organization's objectives are regularly reviewed and updated to ensure alignment with its vision and goals					
The organization's strategy is implemented consistently across all levels of the organization to achieve its goals					
The organization's strategy is regularly reviewed and evaluated to ensure progress towards its goals and adaptability to changing circumstances					
Professionalism	1	2	3	4	5
Transparency enables organizations to build trust with stakeholders					
By prioritizing transparency, leaders in our organizations ensure that stakeholders are informed about the organization's goals, values, and performance					
Leaders in our organization prioritize ethics as a core component leading to a positive reputation and increased brand value of the organization					
In our organization ethical practices is encouraged which help in building strong relationships with the community, maintain public trust					
Accountability help in ensuring that resources are allocated effectively and efficiently					
Leadership in our organization holds staff leaders accountable for their decisions and actions, thereby helping to maintain public confidence.					
Sustainability of service corporations	1	2	3	4	5
Our organization effectively manages its financial resources to ensure long-term stability					
The organization's cash flow is sufficient to support its ongoing					

operations					
Revenue diversification enhances financial sustainability by reducing dependency on a single income source					
Revenue diversification allows for more stable budgeting and planning, promoting long-term organizational resilience					
Financial transparency fosters trust among stakeholders, encouraging more investment and participation, which enhances long-term sustainability					
Clear financial reporting enables organizations to identify inefficiencies and allocate resources more effectively, promoting overall fiscal health					

6. What would you recommend to be done on strategic leadership practices in order to ensure financial sustainability of service state corporation in Kenya?

.....

.....

.....

Thank you for taking your precious time to fill this questionnaire

Appendix III: List Service State Corporations

S/N	Names	Parent Ministry
1	Agricultural Development Corporation	Agricultural
2	Bomas of Kenya	Culture, Social Services, Gender and Sports
	Capital Market Authority (CMA)	Treasury
3	Central Water Services Board	Water and Irrigation
4	Coast Water Services Board	Water and Irrigation
5	Communications Authority of Kenya	Information, Communication and Technology
6	Energy Regulatory Commission (ERC)	Energy
7	Information and Communications Technology Authority	Information, Communication and Technology
8	Insurance Regulatory Authority	Treasury
9	Geothermal Development Company (GDC)	Energy
10	Higher Education Loans Board	Education, Science and Technology
11	Kenya Accountants and Secretaries National Examination Board	Finance
	Kenya Broadcasting Corporation	Information, Communication and Technology
12	Kenya Ferry Services	Transport
13	Kenya Electricity Generating Company (KENGEN)	Energy
14	Kenya Electricity Transmission Company (KETRACO)	Energy
15	Kenya Institute of Mass Communication	Information, Communication and Technology
16	Kenya Investment Authority	Treasury
17	Kenya Medical Laboratory Technician and Technologists Board	Health
18	Kenya Medical Research Institute (KEMRI)	Health
19	Kenya Medical Supplies Authority (KEMSA)	Health

20	Kenya Medical Training College	Health
21	Kenya National Examination Council	Education, Science and Technology
22	Kenya National Library Services	Culture, Social Services, Gender and Sports
23	Kenya Nuclear Electricity Board	Energy
24	Kenya Pipeline Company (KPC)	Energy
25	Kenya Post Office Savings Bank	Treasury
26	Kenya Power and Lighting Company Limited (KPLC)	Energy
27	Kenya Reinsurance Corporation	Treasury
28	Kenya Trade Network Agency	Treasury
29	Kenya Tourist Board	Tourism and Wildlife
30	Kenyatta University Teaching, Referral and Research Hospital	Health
31	Kenya Wildlife Board	Tourism and Wildlife
32	Kenyatta National Hospital	Health
33	Lake Victoria South Water Service Board	Water and Irrigation
34	Lake Victorian North Water Service Board	Water and Irrigation
35	Local Authorities Provident Fund	Local Government
36	Moi Teaching and Referral Hospital	Health
37	Nairobi Water Services Board	Water and Irrigation
38	National Aids Control Council	Office of the President
39	National Council for Law Reporting	Justice and Constitutional Affairs
40	National Hospital Insurance Fund (NHIF)	Health
41	National Oil Corporation of Kenya (NOCK)	Energy
42	National Quality Control Laboratories	Health
43	National Sports Stadia Management Board	Culture, Social Services, Gender and Sports
44	Northern Water Service Board	Water and Irrigation
45	Procurement Oversight Authority	Treasury

46	Rift Valley Water Service Board	Water and Irrigation
47	Rural Electrification Authority (REA)	Energy
48	Teacher Service Commission	Education, Science and Technology
49	Water Resource Management Authority	Water and Irrigation
50	Water Service Trust Fund	Water and Irrigation
51	Kenya Law Reform Commission	
52	National Council for Law Reporting	
53	National Crime Research Centre	
54	Kenya School of Law	
55	Nairobi Centre for International Arbitration	

Source: National Treasury of Kenya (2023)